2017-2018

SENATE APPROPRIATIONS – BASE BUDGET

MINUTES

MEMBERSHIP

SENATE APPROPRIATIONS/BASE BUDGET COMMITTEE

2017-2018 Session

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300-B LOB 715-3034
Lorie Byrd, Clerk

Senator Kathy Harrington, **Co-Chair**
300-C LOB 733-5734
Mary Marchman, Clerk

Senator Brent Jackson, **Co-Chair**
2022 LB 733-5705
Ross Barnhardt, Clerk

Senator Chad Barefoot
406 LOB 715-3036
Eric Naisbitt

Senator Dan Blue
1129 LB 733-5752
Bonnie McNeil

Senator Andrew Brock
310 LOB 715-0690
Judy Edwards

Senator Angela Bryant
516 LOB 733-5878
Karon Hardy

Senator Jay Chaudhuri
1121 LB 715-6400
Jeff DeLuca

Senator Rick Gunn
523 LOB 301-1446
Rita Harris

Senator Jeff Jackson
1104 LB 715-8331
Dylan Arant

Senator Paul Lowe
1119 LB 733-5620
Pat Christmas

Senator Louis Pate
311 LOB 733-5621
Sinclaire Owen

Senator Bill Rabon
2010 LB 733-5963
Paula Fields

Senator Shirley Randleman
628 LOB 733-5743
Carol Wilson

Senator Gladys Robinson
1120 LB 715-3042
Phyllis Cameron

Senator Norman Sanderson
1127 LB 733-5706
Kathy Voss

Senator Jeff Tarte
623 LOB 715-3050
John Clark

Senator Jerry Tillman
309 LOB 733-5870
Suzanne Castleberry

Senator Tommy Tucker
300 A LOB 733-7659
Joey Stansbury

STAFF

Fiscal Research Division
619 LOB 733-4910

Evan Rodewald
Susan Jacobs

Bill Drafting Division
401 LOB 733-6660

Luke Gillenwater
Dan Ettefagh

North Carolina General Assembly
Pending Senate Committee on
Appropriations/Base Budget

2017-2018 Biennium
Leg. Day: H-93/S-93

Date: 08/01/2017
Time: 11:32:34 AM

Bill		Introducer	Short Title		Date	Latest Action
$ S 12		**Rabin**	**Veterans Memorial/Funds.**	**S**	**02-02-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
S 14	=	Jackson	LRC/Strengthen Savings Reserve.	S	02-02-2017	Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate
$ S 108		**Davis**	**Funds/Greene County Multipurpose Center.**	**S**	**02-22-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 130		**Davis**	**Provide Funding/NC Military Business Center.**	**S**	**02-23-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 222	=	**Lee**	**Search & Rescue Name/Funds.**	**S**	**04-04-2017**	**Re-ref Com On Appropriations/Base Budget**
$ S 235		**Jackson**	**Appropriations Act of 2017.**	**S**	**03-16-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 240		**Harrington**	**Appropriations Act of 2017.**	**S**	**03-22-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
S 252	=	Barefoot	North Carolina Teaching Fellows.	*S	04-05-2017	Re-ref Com On Appropriations/Base Budget
$ S 270		**Britt**	**Lumberton Riverwalk Funds.**	**S**	**04-04-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 271		**Britt**	**Fair Bluff Visitors Center Funds.**	**S**	**03-22-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 272		**Britt**	**Fair Bluff Town Hall Funds.**	**S**	**03-22-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 273		**Britt**	**Fair Bluff Riverwalk Funds.**	**S**	**03-22-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 274		**Britt**	**Robeson First Responders Training/Funds.**	**S**	**04-04-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**

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North Carolina General Assembly
Pending Senate Committee on
Appropriations/Base Budget

$	**S 275**	**Britt**	**Columbus Swift Water Training/Funds.**	**S**	**03-22-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$	**S 276**	**Britt**	**Robeson Swift Water Training/Funds.**	**S**	**03-22-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$	**S 278**	**Britt**	**Pembroke Optometry School Funds.**	**S**	**03-22-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$	**S 280**	**= Hise**	**Early Literacy Initiative/Funds.**	**S**	**03-23-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Education/Higher Education. If fav, re-ref to Rules and Operations of the Senate**
	S 304	Tarte	Required Financial Audits.	*S	03-28-2017	Re-ref Com On Appropriations/Base Budget
	S 336	= Tillman	Catawba Valley CC/Manufacturing Center.	S	04-04-2017	Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate
$	**S 341**	**= Hise**	**Operating Funds for Linville Nursery.**	**S**	**04-10-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$	**S 357**	**Brock**	**Funds/Fort Dobbs Replica.**	**S**	**03-27-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$	**S 358**	**= Lee**	**Film & Entertainment Grant Fund Appropriation.**	**S**	**04-10-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$	**S 423**	**= Krawiec**	**Life Changing Experiences School Pilot.**	**S**	**04-11-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Education/Higher Education. If fav, re-ref to Rules and Operations of the Senate**
$	**S 424**	**= Krawiec**	**Increase Funding for Behavioral Health Svcs.**	**S**	**04-11-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Health Care. If fav, re-ref to Rules and Operations of the Senate**
$	**S 444**	**= Tucker**	**Permanency Innovation Initiative Funds.**	**S**	**04-11-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$	**S 447**	**Barefoot**	**Turning TAs Into Teachers.**	**S**	**04-11-2017**	**Re-ref Com On Appropriations/Base Budget**
	S 461	= Barefoot	Modify UNC Laboratory Schools.	S	04-19-2017	Re-ref Com On Appropriations/Base Budget

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$ S 466	**Smith-Ingram**	**CIHS Funds.**	**S**	**04-11-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 475	**Rabon**	**Low-Income Building Project-HFA.**	**S**	**04-04-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
S 484	Smith-Ingram	PARTF Funding Conditions and Match.	S	04-11-2017	Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate
$ S 499	**Davis**	**Capital Funds for Residential TBI Services.**	**S**	**04-11-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 517	**Barefoot**	**North Carolina New Teacher Support Act.**	***S**	**04-11-2017**	**Re-ref Com On Appropriations/Base Budget**
$ S 523	**Rabin**	**EMS Use of UAS.**	**S**	**04-13-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 592	**Gunn**	**Small Business Access to Capital Act.**	**S**	**04-06-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**
$ S 598	**Barefoot**	**Future Teachers of North Carolina.**	***S**	**04-11-2017**	**Re-ref Com On Appropriations/Base Budget**
$ S 669	**Britt**	**SE NC Ag Events Center/Funds.**	**S**	**04-13-2017**	**Re-ref to Appropriations/Base Budget. If fav, re-ref to Rules and Operations of the Senate**

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Senate Committee on Appropriations/Base Budget
Thursday, March 16, 2017 at 8:30 AM
Room 643 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations/Base Budget met at 8:30 AM on March 16, 2017 in Room 643 of the Legislative Office Building. Twelve members were present.

Senator Harry Brown, Chair, presided. Senator Brown called the meeting to order at 8:40 and recognized the Sergeant-at-Arms staff and Pages.

Senator Brown recognized Senator Harrington and Senator Wade to present **SB 169 Teaching Excellence Bonus Expansion. (Senators Berger, Harrington, Wade)**. Senator Tillman moved for a favorable report on the bill. After discussion among committee members, the motion carried and the bill was referred to the Committee on Rules and Operations of the Senate.

Senator Brown then recognized Senator Jackson and Representative Dollar to present **HB 7 LRC/Strengthen Savings Reserve. (Representatives Dollar, McGrady, Arp, B. Richardson)**. Senator Jackson presented a technical amendment on the bill to delete "(e)" and substitute "(f)" on page 2, line 11. Senator Brown asked for questions on the amendment. Following a brief discussion, Senator Tucker made a motion to adopt the amendment. Amendment AML-2[v.2] was adopted.

Representative Dollar then spoke on behalf of HB 7. Senator Brown asked for questions on the bill. After a discussion among committee members, Senator Tucker made a motion for a report unfavorable as to the original bill, but favorable as to the committee substitute bill as amended, with the amendment to be rolled into a new PCS. The motion carried and the bill was referred to the Senate Finance Committee.

The meeting adjourned at 9:04 a.m.

Senator Harry Brown, Chair
Presiding

Lorie Byrd, Committee Clerk

Attachments:

1. Committee Notice
2. Agenda
3. Committee Report
4. Minutes
5. House Bill 7 Summary
6. House Bill 7

ATTACHMENT 1

Principal Clerk ____
Reading Clerk ____

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Appropriations/Base Budget** will meet at the following time:

DAY	DATE	TIME	ROOM
Thursday	March 16, 2017	8:30 AM	643 LOB

The following will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 7	LRC/Strengthen Savings Reserve.	Representative Dollar Representative McGrady Representative Arp Representative B. Richardson
SB 169	Teaching Excellence Bonus Expansion.	Senator Berger Senator Harrington Senator Wade

Senator Harry Brown, Co-Chair
Senator Kathy Harrington, Co-Chair
Senator Brent Jackson, Co-Chair

ATTACHMENT 2

SENATE COMMITTEE ON APPROPRIATIONS/BASE BUDGET

Legislative Office Building, Room 643

March 16, 2017
8:30 a.m.

Opening Remarks	Senator Harry Brown, Presiding Senator Kathy Harrington Senator Brent Jackson
Teaching Excellence Bonus Expansion (SB169)	Dan Ettefagh, Legislative Drafting Committee Staff
Committee Vote	
LRC/Strengthen Savings Reserve (HB7)	Luke Gillenwater, Legislative Drafting Committee Staff
Committee Vote	
Adjourn	

ATTACHMENT 3

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

APPROPRIATIONS/BASE BUDGET COMMITTEE REPORT
Senator Brown, Co-Chair
Senator Harrington, Co-Chair
Senator B. Jackson, Co-Chair

Thursday, March 16, 2017

Senator Brown,
submits the following with recommendations as to passage:

FAVORABLE

SB **169** Teaching Excellence Bonus Expansion.

Draft Number:	None
Sequential Referral:	Rules and Operations of the Senate
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Phil Berger will handle SB 169



NORTH CAROLINA GENERAL ASSEMBLY
SENATE

APPROPRIATIONS/BASE BUDGET COMMITTEE REPORT
Senator Brown, Co-Chair
Senator Harrington, Co-Chair
Senator B. Jackson, Co-Chair

Thursday, March 16, 2017

Senator Brown,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO SENATE COMMITTEE SUBSTITUTE BILL

HB 7 LRC/Strengthen Savings Reserve.

Draft Number:	H7-PCS30173-ML-2
Sequential Referral:	Finance
Recommended Referral:	None
Long Title Amended:	Yes

TOTAL REPORTED: 1

Senator Brent Jackson will handle HB 7



Senate Committee on Appropriations/Base Budget
Thursday, March 16, 2017 at 8:30 AM
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Presiding

Lorie Byrd, Committee Clerk

Attachments:

1. Committee Notice
2. Agenda
3. Committee Report
4. Minutes
5. House Bill 7 Summary
6. House Bill 7

7. PCS to House Bill 7
8. Amendment H7-AML-2[v.2]
9. Testimony of Stephen Bailey in Support of House Bill 7
10. Senate Bill 169 Summary
11. Senate Bill 169
12. Visitor Registration Log

HOUSE BILL 7:
LRC/Strengthen Savings Reserve.

2017-2018 General Assembly

Committee:	Senate Appropriations/Base Budget	**Date:**	March 15, 2017
Introduced by:	Reps. Dollar, McGrady, Arp, B. Richardson	**Prepared by:**	Luke Gillenwater
Analysis of:	Second Edition		Committee Co-Counsel

OVERVIEW: House Bill 7 would amend G.S. 143C-4-2 to (i) require the automatic transfer of a set amount of funds each fiscal year to the Savings Reserve and (ii) limit the uses for which funds in the Savings Reserve may be expended.

[As introduced, this bill was identical to S14, as introduced by Sens. B. Jackson, Brown, Harrington, which is currently in Senate Appropriations/Base Budget.]

CURRENT LAW: G.S. 143C-4-2 currently provides that (i) the Controller shall reserve to the Savings Reserve one-fourth (1/4) of any unreserved fund balance remaining in the General Fund at the end of each fiscal year, (ii) the funds in the Savings Reserve may be expended only upon an appropriation by the General Assembly, and (iii) it is a goal of the General Assembly that the balance in the savings Reserve be equal to or greater than eight percent (8%) of the prior year's General Fund operating budget.

BILL ANALYSIS: House Bill 7 does the following:

- **Section 1:**
  - Requires the General Assembly to include in each Current Operations Appropriations Act a transfer to the Savings Reserve of fifteen percent (15%) of each fiscal year's estimated growth in State tax revenues that are deposited in the General Fund.
  - Requires the Controller to transfer in each fiscal year to the Savings Reserve the estimated growth amount included in the Current Operations Appropriations Act.
  - Upon calculation of the actual growth in State tax revenues that are deposited in the General Fund, requires the Controller to adjust the amount originally transferred to achieve an amount equal to fifteen percent (15%) of the actual growth.
  - Requires the Office of State Budget and Management (OSBM) and the Fiscal Research Division (FRD) of the General Assembly to jointly develop and annually produce an evaluation of the of the adequacy of the Savings Reserve and estimate the target balance needed for the Savings Reserve to cover a decline in General Fund revenue. The fifteen percent (15%) of growth required to be transferred to the Savings Reserve may be reduced if it results in the Savings Reserve exceeding the target developed by OSBM and FRD.
  - Allows an aggregate amount of funds in the Savings Reserve that does not exceed seven and one-half percent (7.5%) of the prior fiscal year's General Fund operating budget appropriations to be used for specific purposes upon a majority or two-thirds (2/3) vote, depending on the use of the funds, of the Senate and House of Representatives' members present and voting.

- Clarifies this section does not apply to the Highway Fund or Highway Trust Fund.

- **Section 2:**
  - Requires the Governor's Recommended State Budget to include for each fiscal year of the biennium a transfer of fifteen percent (15%) of the estimated growth in State tax revenues that are deposited in the General Fund, unless the Savings Reserve is at or exceeds the target developed by OSBM and FRD.

- **Section 3:**
  - Provides that the savings resulting from the refinancing of general obligation bonds are only transferred to the Savings Reserve if, and to the extent that, the balance of the Savings Reserve is below the target set by OSBM and FRD.
  - Clarifies this section does not apply to the Highway Fund or Highway Trust Fund.

- **Section 4:**
  - Provides that the savings resulting from the refinancing of special indebtedness is only transferred to the Savings Reserve if, and to the extent that, the balance of the Savings Reserve is below the target set by OSBM and FRD.
  - Clarifies this section does not apply to the Highway Fund or Highway Trust Fund.

- **Sections 5 and 6:**
  - Conforming changes.

- **Section 7:**
  - Provides that, during the 2019 Regular Session of the General Assembly, it is the intent of the General Assembly to study whether the changes in the act have successfully accomplished the purpose of maintaining sufficient reserves to address costs incurred from unanticipated events and emergencies.

- **Section 8:**
  - Requires OSBM and FRD to start establishing the target required under G.S. 143C-4-2(f) when the act becomes law.

EFFECTIVE DATE: Sections 8 and 9 of the act are effective when the act becomes law. The remainder of the act becomes effective October 1, 2017.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H 2

HOUSE BILL 7*
Second Edition Engrossed 2/15/17

Short Title: LRC/Strengthen Savings Reserve. (Public)

Sponsors: Representatives Dollar, McGrady, Arp, and B. Richardson (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations

January 26, 2017

A BILL TO BE ENTITLED

AN ACT TO STRENGTHEN THE SAVINGS RESERVE, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143C-4-2 reads as rewritten:

"**§ 143C-4-2. Savings ~~Reserve Account and appropriation of General Fund unreserved fund balance.~~Reserve.**

(a) ~~Creation and Source of Funds.~~ Creation. – The Savings Reserve ~~Account~~ is established as a reserve in the General ~~Fund. The Controller shall reserve to the Savings Reserve Account one-fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year.~~Fund and is a component of the unappropriated General Fund balance.

(b) General Use of Funds. – ~~The Savings Reserve Account is a component of the unappropriated General Fund balance. Funds~~ In each fiscal year, funds reserved to the Savings Reserve ~~Account~~ shall be available for ~~expenditure only upon an act of appropriation by the General Assembly.~~expenditure, in an aggregate amount that does not exceed seven and one-half percent (7.5%) of the prior fiscal year's General Fund operating budget appropriations, excluding departmental receipts, upon appropriation by a majority vote of the membership of the Senate and House of Representatives present and voting for any of the following purposes:

(1) To cover a decline in General Fund revenue from one fiscal year to another.

(2) To cover the difference between that fiscal year's General Fund operating budget appropriations, excluding departmental receipts, and projected revenue.

(3) To pay costs imposed by a court or administrative order.

(4) To provide relief and assistance from the effects of an emergency, as that term is defined in G.S. 166A-19.3.

(b1) Extraordinary Use of Funds. – In each fiscal year, funds reserved to the Savings Reserve shall be available for expenditure upon a two-thirds vote of the membership of the Senate and House of Representatives present and voting for any of the following purposes:

(1) To use for any of the purposes set forth in subdivisions (1) through (4) of subsection (b) of this section in an aggregate amount that exceeds seven and one-half percent (7.5%) of the prior fiscal year's General Fund operating budget appropriations, excluding departmental receipts.

(2) For a purpose not set forth in subdivisions (1) through (4) of subsection (b) of this section in any amount.

~~(c) Goal for Savings Reserve Account Balance. – The General Assembly recognizes the need to establish and maintain sufficient reserves to address unanticipated events and circumstances such as natural disasters, economic downturns, threats to public safety, health, and welfare, and other emergencies. It is a goal of the General Assembly and the State to accumulate and maintain a balance in the Savings Reserve Account equal to or greater than eight percent (8%) of the prior year's General Fund operating budget.~~

(d) Savings Reserve Requirement. – Each Current Operations Appropriations Act enacted by the General Assembly shall include a transfer to the Savings Reserve of fifteen percent (15%) of each fiscal year's estimated growth in State tax revenues that are deposited in the General Fund, except that if that transfer would cause the balance of the Reserve to exceed the recommended Savings Reserve balance developed pursuant to subsection (e) of this section then the amount transferred pursuant to this subsection shall be reduced accordingly.

(e) Actual Transfer of Funds to Savings Reserve. – Each fiscal year, the Office of State Controller shall transfer to the Savings Reserve the estimated growth amount required by subsection (d) of this section. Upon calculation of the actual growth in State tax revenues that are deposited in the General Fund, the Office of State Controller shall adjust the amount of the transfer to the Savings Reserve to achieve an amount equivalent to fifteen percent (15%) of the actual growth.

(f) Evaluation of Savings Reserve. – The Office of State Budget and Management and the Fiscal Research Division of the General Assembly shall jointly develop and annually produce an evaluation of the adequacy of the Savings Reserve based on the volatility of North Carolina's General Fund tax structure, which shall take into consideration relevant statistical and economic literature. After completing the evaluation, these entities may revise the methodology as needed to estimate the target for the Savings Reserve balance, which shall be calculated so as to be sufficient to cover two years of need for nine out of 10 scenarios involving a decline in General Fund revenue from one fiscal year to the next fiscal year. The recommended balance shall be expressed as a percentage of the prior year General Fund operating budget appropriations, excluding departmental receipts. The Office of State Budget and Management shall report this percentage to the Chairs of the House of Representatives and Senate Appropriations and Finance Committees no later than February 1 of each year.

(g) Additional Transfer of Funds by General Assembly Permissible. – Nothing in this section shall be construed to prohibit the General Assembly from directing the transfer of additional funds into the Savings Reserve.

(h) Applicability. – Nothing in this section shall be construed to apply to the Highway Fund or the Highway Trust Fund."

SECTION 2. G.S. 143C-3-5(b) reads as rewritten:

"**§ 143C-3-5. Budget recommendations and budget message.**

...

(b) Odd-Numbered Years. – In odd-numbered years the budget recommendations shall include the following components:

(1) A Recommended State Budget setting forth goals for improving the State with recommended expenditure requirements, funding sources, and performance information for each State government program and for each proposed capital improvement. The Recommended State Budget may be presented in a format chosen by the Director, except that the Recommended State Budget shall clearly distinguish program base budget requirements, program reductions, program eliminations, program expansions, and new programs, and shall explain all proposed capital improvements in the context of the Six-Year Capital Improvements Plan and as required by G.S. 143C-8-6.

(1a) The Governor's Recommended State Budget shall include a base budget, which shall be presented in the budget support document pursuant to subdivision (2) of this subsection.

...

(3) A Current Operations Appropriations Act that makes appropriations for each fiscal year of the upcoming biennium for the operating expenses of all State agencies as contained in the Recommended State Budget, together with a Capital Improvements Appropriations Act that authorizes any capital improvements projects.

...

(6) The Governor's Recommended State Budget shall include a transfer to the Savings Reserve of fifteen percent (15%) of the estimated growth in State tax revenues that are deposited in the General Fund for each fiscal year of the upcoming biennium. This subdivision applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(e)."

SECTION 3. G.S. 142-15.4 reads as rewritten:

"**§ 142-15.4. Savings from refinancing of general obligation bonds to be placed in the Savings ~~Reserve Account.~~Reserve.**

(a) Whenever general obligation bonds issued or incurred by the State are refinanced:

(1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.

(2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve ~~Account~~ established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.

(3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs.

(b) Subsection (a) of this section applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(e).

(c) This section does not apply to general obligation bond indebtedness of the State serviced by the Highway Fund or Highway Trust Fund or other transportation-related debt financing arrangements."

SECTION 4. G.S. 142-96 reads as rewritten:

"**§ 142-96. Savings from refinancing of special indebtedness to be placed in the Savings ~~Reserve Account.~~Reserve.**

(a) Whenever special indebtedness issued or incurred pursuant to this Article is refinanced:

(1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.

(2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve ~~Account~~ established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.

(3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs.

(b) Subsection (a) of this section applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(e).

(c) This section does not apply to special indebtedness of the State serviced by the Highway Fund or Highway Trust Fund or other transportation-related debt financing arrangements."

SECTION 5. G.S. 143C-5-4(b)(8) reads as rewritten:

"(8) Statutory transfers to reserves. – Notwithstanding G.S. 143C-4-2 and G.S. 143C-4-3, funds shall not be reserved to the Savings Reserve ~~Account~~ or the Repairs and Renovations Reserve ~~Account~~ and the State Controller shall not transfer funds from the unreserved fund balance to those ~~accounts~~ reserves on June 30 of the prior fiscal year."

SECTION 6. G.S. 147-86.11(e)(7) reads as rewritten:

"(7) The State Controller may use cash reserved to the Savings Reserve ~~Account~~ and cash from other funds, including special funds, that is not needed temporarily to meet the cash flow needs of the General Fund, but only to the extent that this authority can be used without jeopardizing the ability of reserves or funds, including special funds, to meet their ongoing obligations. Any cash transferred from reserves or funds, including special funds, shall be fully restored by the end of the fiscal year in which the funds were transferred, and interest shall be paid on all cash transferred to the General Fund pursuant to this subdivision from interest-bearing accounts."

SECTION 7. During the 2019 Regular Session of the General Assembly, it is the intent of the General Assembly to study whether the changes to the Savings Reserve enacted in this act have successfully accomplished its purpose of establishing and maintaining sufficient reserves to address unanticipated events and circumstances such as natural disasters, economic downturns, threats to public safety, health, and welfare, and other emergencies.

SECTION 8. The Office of State Budget and Management and the Fiscal Research Division shall commence development of the methodology for arriving at the consensus estimate required in G.S. 143C-4-2(e) as enacted by this act.

SECTION 9. Sections 8 and 9 of this act are effective when this act becomes law. The remainder of this act becomes effective October 1, 2017.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H D

HOUSE BILL 7
Second Edition Engrossed 2/15/17
PROPOSED SENATE COMMITTEE SUBSTITUTE H7-PCS30173-ML-2

Short Title: LRC/Strengthen Savings Reserve. (Public)

Sponsors:

Referred to:

January 26, 2017

A BILL TO BE ENTITLED

AN ACT TO STRENGTHEN THE SAVINGS RESERVE, AS RECOMMENDED BY THE LEGISLATIVE RESEARCH COMMISSION.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143C-4-2 reads as rewritten:

"**§ 143C-4-2. Savings ~~Reserve Account and appropriation of General Fund unreserved fund balance.~~Reserve.**

(a) ~~Creation and Source of Funds.~~ Creation. – The Savings Reserve ~~Account~~ is established as a reserve in the General ~~Fund. The Controller shall reserve to the Savings Reserve Account one-fourth of any unreserved fund balance, as determined on a cash basis, remaining in the General Fund at the end of each fiscal year.~~Fund and is a component of the unappropriated General Fund balance.

(b) General Use of Funds. – ~~The Savings Reserve Account is a component of the unappropriated General Fund balance. Funds~~ In each fiscal year, funds reserved to the Savings Reserve ~~Account~~ shall be available for ~~expenditure only upon an act of appropriation by the General Assembly.~~expenditure in an aggregate amount that does not exceed seven and one-half percent (7.5%) of the prior fiscal year's General Fund operating budget appropriations, excluding departmental receipts, upon appropriation by a majority vote of the membership of the Senate and House of Representatives present and voting for any of the following purposes:

(1) To cover a decline in General Fund revenue from one fiscal year to another.
(2) To cover the difference between that fiscal year's General Fund operating budget appropriations, excluding departmental receipts, and projected revenue.
(3) To pay costs imposed by a court or administrative order.
(4) To provide relief and assistance from the effects of an emergency, as that term is defined in G.S. 166A-19.3.

(b1) Extraordinary Use of Funds. – In each fiscal year, funds reserved to the Savings Reserve shall be available for expenditure upon a two-thirds vote of the membership of the Senate and House of Representatives present and voting for any of the following purposes:

(1) To use for any of the purposes set forth in subdivisions (1) through (4) of subsection (b) of this section in an aggregate amount that exceeds seven and one-half percent (7.5%) of the prior fiscal year's General Fund operating budget appropriations, excluding departmental receipts.
(2) For a purpose not set forth in subdivisions (1) through (4) of subsection (b) of this section in any amount.

~~(c) Goal for Savings Reserve Account Balance. The General Assembly recognizes the need to establish and maintain sufficient reserves to address unanticipated events and circumstances such as natural disasters, economic downturns, threats to public safety, health, and welfare, and other emergencies. It is a goal of the General Assembly and the State to accumulate and maintain a balance in the Savings Reserve Account equal to or greater than eight percent (8%) of the prior year's General Fund operating budget.~~

(d) Savings Reserve Requirement. – Each Current Operations Appropriations Act enacted by the General Assembly shall include a transfer to the Savings Reserve of fifteen percent (15%) of each fiscal year's estimated growth in State tax revenues that are deposited in the General Fund, except that if that transfer would cause the balance of the Reserve to exceed the recommended Savings Reserve balance developed pursuant to subsection (f) of this section then the amount transferred pursuant to this subsection shall be reduced accordingly.

(e) Actual Transfer of Funds to Savings Reserve. – Each fiscal year, the Office of State Controller shall transfer to the Savings Reserve the estimated growth amount required by subsection (d) of this section. Upon calculation of the actual growth in State tax revenues that are deposited in the General Fund, the Office of State Controller shall adjust the amount of the transfer to the Savings Reserve to achieve an amount equivalent to fifteen percent (15%) of the actual growth.

(f) Evaluation of Savings Reserve. – The Office of State Budget and Management and the Fiscal Research Division of the General Assembly shall jointly develop and annually produce an evaluation of the adequacy of the Savings Reserve based on the volatility of North Carolina's General Fund tax structure, which shall take into consideration relevant statistical and economic literature. After completing the evaluation, these entities may revise the methodology as needed to estimate the target for the Savings Reserve balance, which shall be calculated so as to be sufficient to cover two years of need for nine out of 10 scenarios involving a decline in General Fund revenue from one fiscal year to the next fiscal year. The recommended balance shall be expressed as a percentage of the prior year General Fund operating budget appropriations, excluding departmental receipts. The Office of State Budget and Management shall report this percentage to the Chairs of the House of Representatives and Senate Appropriations and Finance Committees no later than February 1 of each year.

(g) Additional Transfer of Funds by General Assembly Permissible. – Nothing in this section shall be construed to prohibit the General Assembly from directing the transfer of additional funds into the Savings Reserve.

(h) Applicability. – Nothing in this section shall be construed to apply to the Highway Fund or the Highway Trust Fund."

SECTION 2. G.S. 143C-3-5(b) reads as rewritten:

"§ 143C-3-5. Budget recommendations and budget message.

...

(b) Odd-Numbered Years. – In odd-numbered years the budget recommendations shall include the following components:

(1) A Recommended State Budget setting forth goals for improving the State with recommended expenditure requirements, funding sources, and performance information for each State government program and for each proposed capital improvement. The Recommended State Budget may be presented in a format chosen by the Director, except that the Recommended State Budget shall clearly distinguish program base budget requirements, program reductions, program eliminations, program expansions, and new programs, and shall explain all proposed capital improvements in the context of the Six-Year Capital Improvements Plan and as required by G.S. 143C-8-6.

(1a) The Governor's Recommended State Budget shall include a base budget, which shall be presented in the budget support document pursuant to subdivision (2) of this subsection.

...

(3) A Current Operations Appropriations Act that makes appropriations for each fiscal year of the upcoming biennium for the operating expenses of all State agencies as contained in the Recommended State Budget, together with a Capital Improvements Appropriations Act that authorizes any capital improvements projects.

...

(6) The Governor's Recommended State Budget shall include a transfer to the Savings Reserve of fifteen percent (15%) of the estimated growth in State tax revenues that are deposited in the General Fund for each fiscal year of the upcoming biennium. This subdivision applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(f)."

SECTION 3. G.S. 142-15.4 reads as rewritten:

"**§ 142-15.4. Savings from refinancing of general obligation bonds to be placed in the Savings ~~Reserve Account.~~Reserve.**

(a) Whenever general obligation bonds issued or incurred by the State are refinanced:

(1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.

(2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve ~~Account~~ established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.

(3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs.

(b) Subsection (a) of this section applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(f).

(c) This section does not apply to general obligation bond indebtedness of the State serviced by the Highway Fund or Highway Trust Fund or other transportation-related debt financing arrangements."

SECTION 4. G.S. 142-96 reads as rewritten:

"**§ 142-96. Savings from refinancing of special indebtedness to be placed in the Savings ~~Reserve Account.~~Reserve.**

(a) Whenever special indebtedness issued or incurred pursuant to this Article is refinanced:

(1) The General Assembly shall not reduce the funds appropriated for servicing the refinanced debt during the fiscal biennium in which the refinancing occurs.

(2) The State Controller shall, in conjunction with the State Treasurer, periodically transfer the savings resulting from the refinancing of the debt to the Savings Reserve ~~Account~~ established pursuant to G.S. 143C-4-2 during the fiscal biennium in which the refinancing occurs.

(3) The Director of the Budget shall, in the fiscal biennium immediately following the refinancing, adjust the amount of debt service funded in the base budget so that it aligns with actual debt service needs.

(b) Subsection (a) of this section applies only if, and to the extent that, the balance of the Savings Reserve remains below the recommended Savings Reserve balance developed pursuant to G.S. 143C-4-2(f).

(c) This section does not apply to special indebtedness of the State serviced by the Highway Fund or Highway Trust Fund or other transportation-related debt financing arrangements."

SECTION 5. G.S. 143C-5-4(b)(8) reads as rewritten:

"(8) Statutory transfers to reserves. – Notwithstanding G.S. 143C-4-2 and G.S. 143C-4-3, funds shall not be reserved to the Savings Reserve ~~Account~~ or the Repairs and Renovations Reserve ~~Account~~ and the State Controller shall not transfer funds from the unreserved fund balance to those ~~accounts~~ reserves on June 30 of the prior fiscal year."

SECTION 6. G.S. 147-86.11(e)(7) reads as rewritten:

"(7) The State Controller may use cash reserved to the Savings Reserve ~~Account~~ and cash from other funds, including special funds, that is not needed temporarily to meet the cash flow needs of the General Fund, but only to the extent that this authority can be used without jeopardizing the ability of reserves or funds, including special funds, to meet their ongoing obligations. Any cash transferred from reserves or funds, including special funds, shall be fully restored by the end of the fiscal year in which the funds were transferred, and interest shall be paid on all cash transferred to the General Fund pursuant to this subdivision from interest-bearing accounts."

SECTION 7. During the 2019 Regular Session of the General Assembly, it is the intent of the General Assembly to study whether the changes to the Savings Reserve enacted in this act have successfully accomplished its purpose of establishing and maintaining sufficient reserves to address unanticipated events and circumstances, such as natural disasters, economic downturns, threats to public safety, health, and welfare, and other emergencies.

SECTION 8. The Office of State Budget and Management and the Fiscal Research Division shall commence development of the methodology for arriving at the consensus estimate required in G.S. 143C-4-2(f), as enacted by this act.

SECTION 9. Sections 8 and 9 of this act are effective when this act becomes law. The remainder of this act becomes effective October 1, 2017.

ATTACHMENT 8

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
House Bill 7*

AMENDMENT NO._____
(to be filled in by
Principal Clerk)

H7-AML-2 [v.2]

Amends Title [NO]
Second Edition

Date March 16 ,2017

Senator B. Jackson

moves to amend the bill on page 2, line 11, by deleting "(e)" and substituting "(f)"; and

on page 3, line 16, by deleting "G.S. 143C-4-2(e)."" and substituting "G.S. 143C-4-2(f).""; and

on page 3, line 32, by deleting "G.S. 143C-4-2(e)." and substituting "G.S. 143C-4-2(f)."; and

on page 3, line 51, by deleting "G.S. 143C-4-2(e)." and substituting "G.S. 143C-4-2(f)."; and

on page 4, line 27, by deleting "G.S. 143C-4-2(e)" and substituting "G.S. 143C-4-2(f)".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED ✓ FAILED _____ TABLED _____

THE PEW CHARITABLE TRUSTS

2005 Market Street, Suite 2800 215.575.9050
Philadelphia, PA 19103-7077 215.575.4939

901 E Street NW, 10th Floor 202.552.2000
Washington, DC 20004 202.552.2299

Testimony in Support of
House Bill 7
"An Act to Strengthen the Savings Reserve"

North Carolina Senate Committee on Appropriations/Base Budget
March 16, 2017

Stephen Bailey, Senior Associate
State Fiscal Health Project, The Pew Charitable Trusts

Chairmen Brown, Harrington, Jackson, and Members of the Committee:

Over the past four years, The Pew Charitable Trusts has extensively researched the policies that govern budget stabilization funds, commonly referred to as "rainy day funds." Through an evidence-based assessment of all 50 states, Pew has determined the best policies for saving, withdrawing, and determining the optimal size of such funds. Upon review, Pew supports House Bill 7, "An Act to Strengthen the Savings Reserves," because it contains four best practices that will not only improve the Savings Reserve Account, but also make North Carolina a national leader in managing volatility and reserve fund policy.

1. Creates a savings deposit rule tied to revenue growth;
2. Defines clear and objective conditions for fund use;
3. Establishes an evidence-based fund savings target;
4. Provides a mechanism to re-evaluate the rules governing the fund.

Creates a savings deposit rule tied to revenue growth

First, by setting aside 15 percent of year-over-year revenue growth, North Carolina would join 15 states that tie their rainy day fund deposits directly to revenue or economic volatility. As highlighted in Pew's report "Building State Rainy Day Funds," the proposed deposit rule closely follows one found in Tennessee, where savings has become a straightforward, predictable practice, rather than a yearly debate. There are two key benefits for states that choose to save based on revenue or economic growth:

1) It allows the state to proactively save as a part of the budget process. Currently, North Carolina statute directs a portion of the year-end general fund surplus to the Savings

Reserve Account. While this is a common method of saving by states, it can make saving a low priority, as often other budgetary concerns are addressed before saving is considered. By depositing 15 percent of revenue growth, North Carolina would create a rule that makes savings a higher priority.

2) By tying savings directly to revenue growth, it ensures the state is saving the most in good times. State revenues go through periods of above-normal growth as a result of the business cycle. The proposed rule would generate the largest deposits when revenue growth is the most above-normal, thereby preventing unsustainable revenue growth from being used to fund recurring expenditures. This is not only the most effective way to save, but will also help keep the state's budget structurally balanced.

Defines clear and objective conditions for fund use

Second, the bill greatly improves the state's withdrawal provisions. Currently, North Carolina is one of only six states without clear conditions for fund use. The proposed legislation establishes clear conditions for use and includes the ability to cover a decline in general fund revenue from one year to the next. This is consistent with a Pew-identified best practice to link withdrawals to objective measures tied to revenue volatility. These types of conditions ensure reserves are only used in times of revenue or economic distress.

Establishes an evidence-based fund savings target

Third, fewer than five states are using evidence – like revenue volatility and forecast error – to determine how much they should save to meet their fund goals. By recommending that the Office of State Budget and Management and the Fiscal Research Division of the General Assembly perform a risk-based analysis using a similar technique found in Minnesota, the state would become an exemplar state at setting the appropriate maximum size for the rainy day fund.

Provides a mechanism to re-evaluate the rules governing the fund

Finally, the legislation prudently calls for a review of the changes to the Savings Reserve Account after two years. This can help ensure the policy changes are achieving the intended purpose of the General Assembly and provide an opportunity for adjustments if needed.

With a vote in favor of House Bill 7, "An Act to Strengthen the Savings Reserve," Pew believes the Senate Committee on Appropriations/Base Budget would take a significant step to improve the state's ability to weather times of economic uncertainty in the future. Additionally, the recommendations would make North Carolina a leader at managing revenue volatility and an example for other states to follow.

SENATE BILL 169:
Teaching Excellence Bonus Expansion.

2017-2018 General Assembly

Committee:	Senate Appropriations/Base Budget. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	March 14, 2017
Introduced by:	Sens. Berger, Harrington, Wade	**Prepared by:**	Dan Ettefagh Committee Counsel
Analysis of:	First Edition		

OVERVIEW: SB 169 would provide for bonus substitutes to certain teachers who, but for no longer teaching certain grades or courses, would have received bonuses under the Third Grade Teacher Performance Pilot Program or Advanced Placement/International Baccalaureate Teacher Bonus Pilot Program established in the 2016 budget.

Third Grade Reading Teacher Performance Pilot program

CURRENT LAW: S.L. 2016-94, Sec. 9.7 established the Third Grade Reading Teacher Performance Pilot program to provide bonuses to qualifying licensed third grade teachers with student growth index scores from the previous school year for third grade reading who remained employed teaching third grade in the same local school administrative unit at least from the school year the data was collected until the corresponding school year when the bonus was paid. The program established 2 bonuses:

- Bonus 1 – Top 25% in State: Licensed third grade teachers in the top 25% of teachers in the State according to the student growth index score for third grade reading from the prior year would receive Bonus 1.
- Bonus 2 – Top 25% in LEA: Licensed third grade teachers in the top 25% of teachers in their respective local school administrative unit (LEA) according to the student growth index score for third grade reading from the prior year would receive Bonus 2.
- Teachers are eligible to receive both bonuses.

BILL ANALYSIS: Section 2(a) and (b) of SB 169 would provide a bonus substitute to otherwise qualifying teachers who no longer taught third grade (the restriction) but remained teaching at the same school, unless that teacher refused to continue teaching third grade in the year the bonus was paid. The bonuses would be as follows:

- A teacher who remains teaching at the same school and would have been eligible for Bonus 1 but for the restriction would receive a bonus of $3,500.
- A teacher who remains teaching at the same school and would have been eligible for Bonus 2 but for the restriction would receive a bonus of $3,500.

Advanced Placement/International Baccalaureate Teacher Bonus Pilot Program

CURRENT LAW: S.L. 2016-94, Sec. 8.8 established the Advanced Placement/International Baccalaureate Teacher Bonus Pilot Program to provide bonuses to qualifying licensed teachers of Advanced Placement and International Baccalaureate advanced courses for each student taught who

received a certain score on the advanced course examination. The bonus is $50 per student, up to $2,000. To receive the bonus, the teacher must remain employed teaching advanced courses in the same local school administrative unit at least from the school year the data was collected until the corresponding school year when the bonus was paid.

BILL ANALYSIS: Section 2(c) of SB 169 would provide a bonus substitute to otherwise qualifying teachers who no longer taught advanced courses (the restriction) but remained teaching at the same school, unless that teacher refused to continue teaching the advanced course in the year the bonus was paid. The bonus would be the amount the teacher would have been eligible for under S.L. 2016-94, Sec. 8.8, not to exceed $2,000.

Reimbursement

Section 3 - If a LEA paid a teacher an amount in lieu of the amount the teacher would have received but for the restriction under the Bonus Pilot Programs in the 2016 Budget, the Department of Public Instruction must reimburse the LEA for the amount paid, up to $3,500 for each third grade bonus and up to $2,000 for each advanced course bonus.

EFFECTIVE DATE: SB 169 would become effective when the bill becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S 1

SENATE BILL 169

Short Title:	Teaching Excellence Bonus Expansion.	(Public)
Sponsors:	Senators Berger, Harrington, Wade (Primary Sponsors); Barefoot, Lee, and McInnis.	
Referred to:	Rules and Operations of the Senate	

March 2, 2017

A BILL TO BE ENTITLED

AN ACT TO EXPAND TEACHING EXCELLENCE BONUSES FOR CERTAIN TEACHERS WHO WOULD HAVE RECEIVED A BONUS.

The General Assembly of North Carolina enacts:

SECTION 1. It is the intent of the General Assembly to give a bonus substitute to certain teachers who remain teaching at the same school and would have received a bonus pursuant to one or more subdivisions of Section 9.7(a) of S.L. 2016-94 or pursuant to Section 8.8 of S.L. 2016-94 but for the restriction in subdivision (3) of either section ("the restriction").

SECTION 2.(a) If the teacher remains teaching at the same school and would have received a bonus under subdivision (1) of Section 9.7(a) of S.L. 2016-94 but for the restriction, the teacher shall receive a State bonus substitute equal to three thousand five hundred dollars ($3,500), unless the teacher refused to continue teaching third grade in the year the bonus was paid.

SECTION 2.(b) If the teacher remains teaching at the same school and would have received a bonus under subdivision (2) of Section 9.7(a) of S.L. 2016-94 but for the restriction, the teacher shall receive a local bonus substitute equal to three thousand five hundred dollars ($3,500), unless the teacher refused to continue teaching third grade in the year the bonus was paid.

SECTION 2.(c) If the teacher remains teaching at the same school and would have received a bonus under subsection (a) of Section 8.8 of S.L. 2016-94 but for the restriction, the teacher shall receive a bonus substitute equal to the amount the teacher would have received under subdivisions (1) and (2) of that subsection notwithstanding the restriction, unless the teacher refused to continue teaching the advanced course in the year the bonus was paid.

SECTION 3.(a) If a local school administrative unit paid a teacher an amount in lieu of a bonus the teacher would have received under subdivision (1) of Section 9.7(a) of S.L. 2016-94 but for the restriction, the Department of Public Instruction shall reimburse the local school administrative unit the amount paid up to three thousand five hundred dollars ($3,500).

SECTION 3.(b) If a local school administrative unit paid a teacher an amount in lieu of a bonus the teacher would have received under subdivision (2) of Section 9.7(a) of S.L. 2016-94 but for the restriction, the Department of Public Instruction shall reimburse the local school administrative unit the amount paid up to three thousand five hundred dollars ($3,500).

SECTION 3.(c) If a local school administrative unit paid a teacher an amount in lieu of a bonus the teacher would have received under subdivisions (1) and (2) of Section 8.8(a) of S.L. 2016-94 but for the restriction, the Department of Public Instruction shall reimburse the local school administrative unit the amount paid up to two thousand dollars ($2,000).

SECTION 4. Of the funds available to the Department of Public Instruction for the 2016-2017 fiscal year, the State Board of Education shall direct the Department to pay the bonus substitutes and reimbursements required by this act.

SECTION 5. This act is effective when it becomes law.

ATTACHMENT 12

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

March 16, 2017

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Richard Bostic	NCSBA
Chris Ingraham	MWC
David Powers	Powers Strategies
Drew Muretz	UNC GA
CS Hollis	CSH
Adam Priddy	NCAE
Mary Gaines	GSK

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

March 16, 2017

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jaime Kirkpatrick	Dish Strategies
Donna [illegible]	NCSS
Kathy Engstrom	BP
Sarah [illegible]	K&L NC
Rhaeon Jackson	Tools Consulting
Flint Benson	SEANC
Charles Perry	C<R
Henry M Lancaster D	LCA
Tonya Hart	TSJ
John Dellinger	B+A

Senate Committee on Appropriations/Base Budget
Monday, April 10, 2017 at 6:00 PM
Room 643 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations/Base Budget met at 6:00 PM on April 10, 2017 in Room 643 of the Legislative Office Building. Thirteen members were present.

Senator Kathy Harrington presided. Senator Harrington called the meeting to order at 6:02 and recognized the Sergeant-at-Arms Staff.

Senator Harrington recognized Luke Gillenwater of the Legislative Drafting Committee Staff to present **SB 414 Use of Funding Pool Grant Funds/Macon County. (Senator J. Davis).** After some discussion, Senator Tommy Tucker moved for a favorable report on the bill. The motion carried.

Senator Harrington then recognized Senator Deanna Ballard to present **SB 416 Use of Tourism Funds/Watauga County. (Senator Ballard).** After some discussion, Senator Norman Sanderson moved for a favorable report on the bill. The motion carried.

Senator Harrington recognized Senator Harry Brown to present **SB 421 Use of Career & Technical Funds/Onslow County. (Senator Brown).** After some discussion, Senator Bill Rabon moved for a favorable report on the bill. The motion carried.

The meeting adjourned at 6:10 PM.

Senator Kathy Harrington, Chair
Presiding

Mary Marchman, Committee Clerk

Attachments (11)

1. Committee Notice
2. Agenda
3. Committee Report
4. Minutes
5. SB 414
6. SB 414 Summary
7. SB 416
8. SB 416 Summary
9. SB 421
10. SB 421 Summary
11. Visitor Registration Log

Principal Clerk
Reading Clerk

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Appropriations/Base Budget** will meet at the following time:

DAY	DATE	TIME	ROOM
Monday	April 10, 2017	6:00 PM	643 LOB

The following will be considered:

BILL NO.	SHORT TITLE	SPONSOR
SB 414	Use of Funding Pool Grant Funds/Macon County.	Senator J. Davis
SB 416	Use of Tourism Funds/Watauga County.	Senator Ballard
SB 421	Use of Career & Technical Funds/Onslow County.	Senator Brown

Senator Harry Brown, Co-Chair
Senator Kathy Harrington, Co-Chair
Senator Brent Jackson, Co-Chair

SENATE COMMITTEE ON APPROPRIATIONS/BASE BUDGET

Legislative Office Building, Room 643

April 10, 2017
6:00 p.m.

Opening Remarks	Senator Kathy Harrington, Presiding Senator Harry Brown Senator Brent Jackson
Use of Funding Pool Grant Funds/ Macon County (SB414)	Dan Ettefagh, Legislative Drafting Committee Staff
Committee Vote	
Use of Tourism Funds/Watauga County (SB416)	Luke Gillenwater, Legislative Drafting Committee Staff
Committee Vote	
Use of Career & Technical Funds/ Onslow County (SB421)	Luke Gillenwater, Legislative Drafting Committee Staff
Committee Vote	
Adjourn	

ATTACHMENT 3

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

APPROPRIATIONS/BASE BUDGET COMMITTEE REPORT
Senator Brown, Co-Chair
Senator Harrington, Co-Chair
Senator B. Jackson, Co-Chair

Monday, April 10, 2017

Senator Harrington,
submits the following with recommendations as to passage:

FAVORABLE

SB **414** Use of Funding Pool Grant Funds/Macon County.

Draft Number:	None
Sequential Referral:	Rules and Operations of the Senate
Recommended Referral:	None
Long Title Amended:	No

SB **416** Use of Tourism Funds/Watauga County.

Draft Number:	None
Sequential Referral:	Rules and Operations of the Senate
Recommended Referral:	None
Long Title Amended:	No

SB **421** Use of Career & Technical Funds/Onslow County.

Draft Number:	None
Sequential Referral:	Rules and Operations of the Senate
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 3

Senator Jim Davis will handle SB 414
Senator Deanna Ballard will handle SB 416
Senator Harry Brown will handle SB 421



Senate Committee on Appropriations/Base Budget
Monday, April 10, 2017 at 6:00 PM
Room 643 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations/Base Budget met at 6:00 PM on April 10, 2017 in Room 643 of the Legislative Office Building. Thirteen members were present.

Senator Kathy Harrington presided. Senator Harrington called the meeting to order at 6:02 and recognized the Sergeant-at-Arms Staff.

Senator Harrington recognized Luke Gillenwater of the Legislative Drafting Committee Staff to present **SB 414 Use of Funding Pool Grant Funds/Macon County. (Senator J. Davis).** After some discussion, Senator Tommy Tucker moved for a favorable report on the bill. The motion carried.

Senator Harrington then recognized Senator Deanna Ballard to present **SB 416 Use of Tourism Funds/Watauga County. (Senator Ballard).** After some discussion, Senator Norman Sanderson moved for a favorable report on the bill. The motion carried.

Senator Harrington recognized Senator Harry Brown to present **SB 421 Use of Career & Technical Funds/Onslow County. (Senator Brown).** After some discussion, Senator Bill Rabon moved for a favorable report on the bill. The motion carried.

The meeting adjourned at 6:10 PM.

Senator Kathy Harrington, Chair
Presiding

Mary Marchman, Committee Clerk

Attachments (11)

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4. Minutes
5. SB 414
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10. SB 421 Summary
11. Visitor Registration Log

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S 1

SENATE BILL 414

Short Title:	Use of Funding Pool Grant Funds/Macon County.	(Public)
Sponsors:	Senator J. Davis (Primary Sponsor).	
Referred to:	Rules and Operations of the Senate	

March 29, 2017

A BILL TO BE ENTITLED

AN ACT TO PROVIDE THAT FUNDS APPROPRIATED TO THE MACON COUNTY COMMUNITY FUNDING POOL GRANT FOR THE 2016-2017 FISCAL YEAR SHALL INSTEAD BE APPROPRIATED TO MACON COUNTY, TO AMEND THE PURPOSES FOR WHICH THE FUNDS MAY BE USED, AND TO MAKE THE FUNDS NONREVERTING.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any provision of S.L. 2016-94, or of the Committee Report described in Section 39.2 of that act, to the contrary, the sum of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2016-2017 fiscal year appropriated in that act to the Macon County Community Funding Pool Grant shall instead be appropriated to Macon County to be used for community purposes. G.S. 143C-1-2(b) shall not apply to the funds described in this section.

SECTION 2. This act is effective when it becomes law.

SENATE BILL 414: Use of Funding Pool Grant Funds/Macon County.

2017-2018 General Assembly

Committee:	Senate Appropriations/Base Budget. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	April 7, 2017
Introduced by:	Sen. J. Davis	**Prepared by:**	Luke Gillenwater Committee Co-Counsel
Analysis of:	First Edition		

OVERVIEW: ***Senate Bill 414 modifies the Committee Report to the Current Operations and Capital Improvements Appropriations Act of 2016 (2016 Appropriations Act) (S.L. 2016-94) to provide (i) that funds appropriated to the Macon County Community Funding Pool Grant should be appropriated to Macon County instead and (ii) that the funds do not revert.***

CURRENT LAW: Item 51 on page J58 of the Committee Report to the 2016 Appropriations Act appropriates $100,000 in nonrecurring funds to the Macon County Community Funding Pool Grant.

BILL ANALYSIS: Senate Bill 414 modifies the Committee Report to the 2016 Appropriations Act and directs the $100,000 appropriation to Macon County instead, and specifies that the funds are to be used for community purposes. In addition, Senate Bill 414 provides that the funds do not revert.

EFFECTIVE DATE: Senate Bill 414 is effective when it becomes law.

Kory Goldsmith
Director

S414-SMML-2 E1 -V-4

Legislative Drafting
919-733-6660

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S 1

SENATE BILL 416

Short Title:	Use of Tourism Funds/Watauga County.	(Public)
Sponsors:	Senator Ballard (Primary Sponsor).	
Referred to:	Rules and Operations of the Senate	

March 29, 2017

A BILL TO BE ENTITLED

AN ACT TO AMEND THE PURPOSES FOR WHICH CERTAIN FUNDS APPROPRIATED TO WATAUGA COUNTY FOR THE 2016-2017 FISCAL YEAR MAY BE USED.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any provision of S.L. 2016-94, or of the Committee Report described in Section 39.2 of that act, to the contrary, the sum of fifty thousand dollars ($50,000) appropriated in that act to provide a grant-in-aid to Watauga County for tourism and development for New River access points shall instead be used for the Guy Ford Road canoe access on the Watauga River.

SECTION 2. This act is effective when it becomes law.

SENATE BILL 416:
Use of Tourism Funds/Watauga County.

2017-2018 General Assembly

Committee:	Senate Appropriations/Base Budget. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	April 7, 2017
Introduced by:	Sen. Ballard	**Prepared by:**	Luke Gillenwater Committee Co-Counsel
Analysis of:	First Edition		

OVERVIEW: ***Senate Bill 416 modifies the Committee Report to the Current Operations and Capital Improvements Appropriations Act of 2016 (2016 Appropriations Act) (S.L. 2016-94) to provide that funds appropriated to provide a grant-in-aid to Watauga County shall be used only for the Guy Ford Road canoe access on the Watauga River.***

CURRENT LAW: Item 45 on page J57 of the Committee Report to the 2016 Appropriations Act appropriates $50,000 as a grant-in-aid to Watauga County for tourism and development of access points on the New River.

BILL ANALYSIS: Senate Bill 416 modifies the Committee Report to the 2016 Appropriations Act to provide that the $50,000 appropriation to Watauga County shall be used only for the Guy Ford Road canoe access on the Watauga River.

EFFECTIVE DATE: Senate Bill 416 is effective when it becomes law.

Kory Goldsmith
Director

S416-SMML-3 E1 -V-3

Legislative Drafting
919-733-6660

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S 1

SENATE BILL 421

Short Title:	Use of Career & Technical Funds/Onslow County.	(Public)
Sponsors:	Senator Brown (Primary Sponsor).	
Referred to:	Rules and Operations of the Senate	

March 29, 2017

A BILL TO BE ENTITLED

AN ACT TO AMEND THE PURPOSES FOR WHICH CERTAIN FUNDS APPROPRIATED TO ONSLOW COUNTY FOR THE 2016-2017 FISCAL YEAR MAY BE USED AND TO MAKE THOSE FUNDS NONREVERTING.

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding any provision of S.L. 2016-94, or of the Committee Report described in Section 39.2 of that act, to the contrary, the sum of five million dollars ($5,000,000) in nonrecurring funds for the 2016-2017 fiscal year appropriated in that act to Onslow County to retrofit and purchase equipment for a regional career and technical education center may be used to fund the construction of a new education center. G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1) shall not apply to the funds described in this section.

SECTION 2. This act is effective when it becomes law.

SENATE BILL 421: Use of Career & Technical Funds/Onslow County.

2017-2018 General Assembly

Committee:	Senate Appropriations/Base Budget. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	April 7, 2017
Introduced by:	Sen. Brown	**Prepared by:**	Luke Gillenwater Committee Co-Counsel
Analysis of:	First Edition		

OVERVIEW: ***Senate Bill 421 modifies the Committee Report to the Current Operations and Capital Improvements Appropriations Act of 2016 (2016 Appropriations Act) (S.L. 2016-94) to provide (i) that certain funds appropriated to Onslow County may be used to fund the construction of a new education center and (ii) that the funds do not revert.***

CURRENT LAW: Item 38 on page J56 of the Committee Report to the 2016 Appropriations Act appropriates $5,000,000 in nonrecurring funds to Onslow County to retrofit and purchase equipment for a regional career and technical education center.

BILL ANALYSIS: Senate Bill 421 modifies the Committee Report to the 2016 Appropriations Act and provides that the $5,000,000 appropriated to Onslow County may be used to fund the construction of a new education center. In addition, Senate Bill 421 provides that the funds do not revert.

EFFECTIVE DATE: Senate Bill 421 is effective when it becomes law.

Kory Goldsmith
Director



Legislative Drafting
919-733-6660

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

ATTACHMENT 11

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: **April 10, 2017**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Ken Melton	KMA
Jeff Dehn	Sen. Chaudhuri
Rui K. Chittilla	office of Sen. Chaudhuri
Tim Leyest	Sen Chaudhuri
Phoebe Landon	HWC
Ardis Watkins	SEANC
Mary Freeman	NCAE

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: **April 10, 2017**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Dona Cook	S/A
Richard Bostic	NCSBM
	NHG
Mary Shipley	NCCCS
Donna B Smith	UNC BOG

Senate Committee on Appropriations/Base Budget
Wednesday, May 10, 2017 at 10:30 AM
Room 643 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations/Base Budget met at 10:30 AM May 10th, 2017 in Room 643 of the Legislative Office Building. Nineteen members were present.

Senator Brent Jackson, Co-Chair, presided.

Senator Jackson called the meeting to order at 10:39 AM and recognized the Sergeant-at-Arms staff.

He then recognized Senator Brown to present the proposed committee substitute to **SB 257 Appropriations Act of 2017. (Brown; Harrington; B. Jackson).** Senator Jackson asked for a motion to hear the committee substitute, and Senator Harrington made the motion.

Senator Brown explained the bill and then, along with staff, answered various questions from the members.

The committee recessed at 12:10 PM to allow the chairs to review submitted amendments.

The committee reconvened at 1:16 PM and heard the following amendments:
Amendment 1: Senator Brown, Sponsor - S257-AMC-9 (v.3)
Amendment 2: Senator Tillman, Sponsor - S257-AMK-5 (v.2)
Amendment 3: Senator Barefoot, Sponsor - S257-AMT-2 (v.3)
Amendment 4: Senator Barefoot, Sponsor - S257-ALH-16 (v.2)

All amendments were adopted.

Senator Sanderson moved for an unfavorable report as to the bill, but favorable as to the committee substitute bill, as amended with unengrossed amendments. Senator Brown seconded the motion. The motion carried.

The meeting adjourned at 1:32 PM.

Senator Brent Jackson, Co-Chair
Presiding

Ross Barnhardt, Committee Clerk

Attachments (8)

1. Committee Notice

2. Agenda
3. Committee Report
4. Minutes
5. PCS for SB 257
6. Money Report
7. Rules for Considering Amendments
8. List of Amendments and Action Taken
9. Amendments
10. Visitor Registration

Principal Clerk ____
Reading Clerk ____

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Appropriations/Base Budget** will meet at the following time:

DAY	DATE	TIME	ROOM
Wednesday	May 10, 2017	10:30 AM	643 LOB

Members, please bring your copy of the budget to the meeting.

Senator Harry Brown, Co-Chair
Senator Kathy Harrington, Co-Chair
Senator Brent Jackson, Co-Chair

SENATE COMMITTEE ON APPROPRIATIONS/BASE BUDGET

Legislative Office Building, Room 643

May 10, 2017
10:30 a.m.

Senate Bill 257 **Appropriations Act of 2017** **Proposed Committee Substitute**	*Senator Brent Jackson, Presiding* *Senator Harry Brown* *Senator Kathy Harrington*
Opening Remarks and Presentation of Committee Rules	*Senate Appropriations Chairs*
Availability, Reserves, and Capital	*Senator Harry Brown*
Subcommittee Overviews	*Senate Subcommittee Chairs*

- Education
- Health and Human Service
- Natural and Economic Resources
- Justice and Public Safety
- General Government
- Transportation
- Information Technology

Amendments

Vote - Proposed Committee Substitute Senate Bill 257

Adjourn

ATTACHMENT 3

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

APPROPRIATIONS/BASE BUDGET COMMITTEE REPORT
Senator Brown, Co-Chair
Senator Harrington, Co-Chair
Senator B. Jackson, Co-Chair

Wednesday, May 10, 2017

Senator B. Jackson,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL, AS AMENDED, WITH UNENGROSSED AMENDMENTS

SB **257** Appropriations Act of 2017.

Draft Number:	S257-PCS55078-MLxfr-10
Sequential Referral:	Finance
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Harry Brown will handle SB 257



Senate Committee on Appropriations/Base Budget
Wednesday, May 10, 2017 at 10:30 AM
Room 643 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations/Base Budget met at 10:30 AM May 10th, 2017 in Room 643 of the Legislative Office Building. Nineteen members were present.

Senator Brent Jackson, Co-Chair, presided.

Senator Jackson called the meeting to order at 10:39 AM and recognized the Sergeant-at-Arms staff.

He then recognized Senator Brown to present the proposed committee substitute to **SB 257 Appropriations Act of 2017. (Brown; Harrington; B. Jackson).** Senator Jackson asked for a motion to hear the committee substitute, and Senator Harrington made the motion.

Senator Brown explained the bill and then, along with staff, answered various questions from the members.

The committee recessed at 12:10 PM to allow the chairs to review submitted amendments.

The committee reconvened at 1:16 PM and heard the following amendments:
Amendment 1: Senator Brown, Sponsor - S257-AMC-9 (v.3)
Amendment 2: Senator Tillman, Sponsor - S257-AMK-5 (v.2)
Amendment 3: Senator Barefoot, Sponsor - S257-AMT-2 (v.3)
Amendment 4: Senator Barefoot, Sponsor - S257-ALH-16 (v.2)

All amendments were adopted.

Senator Sanderson moved for an unfavorable report as to the bill, but favorable as to the committee substitute bill, as amended with unengrossed amendments. Senator Brown seconded the motion. The motion carried.

The meeting adjourned at 1:32 PM.

Senator Brent Jackson, Co-Chair
Presiding

Ross Barnhardt, Committee Clerk

Attachments (8)

1. Committee Notice

2. Agenda
3. Committee Report
4. Minutes
5. PCS for SB 257
6. Money Report
7. Rules for Considering Amendments
8. List of Amendments and Action Taken
9. Amendments
10. Visitor Registration

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S D

SENATE BILL 257
PROPOSED COMMITTEE SUBSTITUTE S257-PCS55078-MLxfr-10

Short Title: Appropriations Act of 2017. (Public)

Sponsors:

Referred to:

March 15, 2017

A BILL TO BE ENTITLED

AN ACT TO MAKE BASE BUDGET APPROPRIATIONS FOR CURRENT OPERATIONS OF STATE DEPARTMENTS, INSTITUTIONS, AND AGENCIES, AND FOR OTHER PURPOSES.

The General Assembly of North Carolina enacts:

PART I. INTRODUCTION AND TITLE OF ACT

TITLE OF ACT

SECTION 1.1. This act shall be known as the "Current Operations and Capital Improvements Appropriations Act of 2017."

INTRODUCTION

SECTION 1.2. The appropriations made in this act are for maximum amounts necessary to provide the services and accomplish the purposes described in the budget in accordance with the State Budget Act. Savings shall be effected where the total amounts appropriated are not required to perform these services and accomplish these purposes, and the savings shall revert to the appropriate fund at the end of each fiscal year, except as otherwise provided by law.

PART II. CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

CURRENT OPERATIONS AND EXPANSION/GENERAL FUND

SECTION 2.1. Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

Current Operations – General Fund	**FY 2017-2018**	**FY 2018-2019**
EDUCATION		
Community Colleges System Office	$ 1,110,762,099	$ 1,130,467,649
Department of Public Instruction	8,999,678,792	9,340,668,173

Appalachian State University	134,672,993	134,672,993
East Carolina University		
Academic Affairs	214,598,809	214,598,809
Health Affairs	74,373,798	75,014,745
Elizabeth City State University	31,964,712	31,154,712
Fayetteville State University	52,116,162	52,116,162
NC A&T State University	91,203,482	91,203,482
NC Central University	83,243,559	83,243,559
NC State University		
Academic Affairs	409,648,050	407,648,050
Agricultural Extension	41,895,231	41,895,231
Agricultural Research	52,636,905	52,636,905
UNC-Asheville	38,750,625	38,750,625
UNC-Chapel Hill		
Academic Affairs	248,309,119	248,309,119
Health Affairs	189,665,032	189,665,032
AHEC	56,783,693	62,183,693
UNC-Charlotte	226,376,692	226,376,692
UNC-Greensboro	150,156,774	150,156,774
UNC-Pembroke	53,711,549	53,715,428
UNC-School of the Arts	30,424,499	30,424,499
UNC-Wilmington	120,327,946	120,327,946
Western Carolina University	89,729,461	89,730,641
Winston-Salem State University	64,717,512	64,717,512
General Administration	42,172,369	42,172,369
University Institutional Programs	102,624,192	152,976,706
Related Educational Programs	110,268,501	110,768,501
NC School of Science & Math	20,958,012	20,959,212
Aid to Private Institutions	155,169,754	165,719,754
Total University of North Carolina – Board of Governors	2,886,499,431	2,951,139,151

HEALTH AND HUMAN SERVICES

Department of Health and Human Services		
Central Management and Support	124,254,579	138,439,922
Division of Aging & Adult Services	45,106,213	45,139,285
Division of Blind Services/Deaf/HH	8,418,832	8,478,672
Division of Child Development & Early Education	268,984,429	272,511,265
Division of Health Service Regulation	18,438,099	19,052,444
Division of Medical Assistance	3,688,012,697	3,802,858,741
Division of Mental Health, Developmental Disabilities, & Substance Abuse Services	684,418,672	655,413,652
NC Health Choice	459,077	396,238
Division of Health Benefits	9,742,662	9,786,700
Division of Public Health	151,257,798	149,748,494
Division of Social Services	197,255,967	203,399,766
Division of Vocational Rehabilitation	38,711,023	38,932,726
Total Health and Human Services	5,235,060,048	5,344,157,905

NATURAL AND ECONOMIC RESOURCES

Department of Agriculture and Consumer Services	127,483,175	125,111,877
Department of Commerce		
Commerce	140,647,735	134,736,660
Commerce State-Aid	15,275,793	15,175,793
Wildlife Resources Commission	10,678,051	10,792,605
Department of Environmental Quality	70,669,650	71,154,583
Department of Labor	17,531,715	17,736,687
Department of Natural and Cultural Resources	175,344,439	173,625,934
Department of Natural and Cultural Resources – Roanoke Island	555,571	555,571
JUSTICE AND PUBLIC SAFETY		
Department of Public Safety	1,977,021,279	1,996,753,751
Judicial Department	516,549,931	523,749,357
Judicial Department – Indigent Defense	120,413,821	121,363,932
Department of Justice	55,904,112	56,445,076
GENERAL GOVERNMENT		
Department of Administration	62,265,447	62,596,178
Office of Administrative Hearings	5,906,579	6,004,787
Department of State Auditor	13,585,122	13,737,445
Office of State Controller	23,579,858	23,949,466
State Board of Elections	6,600,070	6,662,401
General Assembly	65,126,273	65,531,379
Office of the Governor	5,887,379	5,945,252
Office of the Governor – Special Projects	2,001,625	2,001,625
Office of State Budget and Management		
Office of State Budget and Management	8,009,843	8,084,541
OSBM – Reserve for Special Appropriations	2,000,000	2,000,000
Housing Finance Agency	10,660,000	10,660,000

Department of Insurance	40,450,888	40,849,376
Office of Lieutenant Governor	793,477	771,266
Military and Veterans Affairs	10,302,913	8,372,298
Department of Revenue	84,702,526	85,540,885
Department of Secretary of State	13,070,985	13,281,617
Department of State Treasurer		
State Treasurer	4,802,959	4,821,416
State Treasurer – Retirement for Fire and Rescue Squad Workers	27,645,361	27,995,361
DEPARTMENT OF INFORMATION TECHNOLOGY	**51,515,580**	**51,661,844**
RESERVES, ADJUSTMENTS, AND DEBT SERVICE		
Contingency & Emergency Fund	5,000,000	5,000,000
Other Operating Reserves	500,000	500,000
Classification and Compensation System	3,900,000	7,800,000
Statutory Pay Plan Reserve	20,365,642	21,503,791
Workers' Compensation Settlement Reserve	2,000,000	0
Salary Adjustment Fund	5,000,000	5,000,000
University System Enrollment Reserve	46,571,112	94,734,518
Film and Entertainment Grant Fund	15,000,000	15,000,000
Supplement Disaster Recovery Act	70,000,000	0
Matching Funds for Disaster Recovery	80,000,000	0
Enterprise Resource Planning	3,000,000	10,000,000
NC Promise Tuition Plan	0	11,000,000
Public Schools Average Daily Membership Reserve	0	48,410,289
Debt Service		
General Debt Service	727,166,339	770,458,736
Federal Reimbursement	1,616,380	1,616,380
TOTAL CURRENT OPERATIONS – GENERAL FUND	**$ 22,879,102,000**	**$ 23,445,125,555**

GENERAL FUND AVAILABILITY STATEMENT

SECTION 2.2.(a) The General Fund availability used in developing the 2017-2019 fiscal biennial budget is shown below:

	FY 2017-2018	**FY 2018-2019**
Unappropriated Balance	$ 208,607,416	$ 306,975,383
Disaster Recovery Appropriations (S.L. 2016-124)	(200,928,370)	0
Transfer From Savings Reserve	100,928,370	0
Revised Unappropriated Balance	108,607,416	0

Over Collections FY 2016-17	580,600,000	0
Reversions FY 2016-17	271,000,000	0
Replenish Savings Reserve (S.L. 2016-124)	(100,928,370)	0
Earmarkings of Year End Fund Balance:		
Savings Reserve	(263,000,000)	0
Repairs and Renovations	(120,000,000)	0
Beginning Unreserved Fund Balance	**476,279,046**	**306,975,383**
Revenues Based on Existing Tax Structure	**22,303,700,000**	**23,299,200,000**
Non-tax Revenues		
Investment Income	60,100,000	60,600,000
Judicial Fees	240,900,000	240,500,000
Disproportionate Share	164,700,000	149,600,000
Insurance	75,500,000	75,500,000
Master Settlement Agreement (MSA)	127,200,000	127,200,000
Other Non-Tax Revenues	180,600,000	182,900,000
Subtotal Non-tax Revenues	**849,000,000**	**836,300,000**
Total General Fund Availability	**23,628,979,046**	**24,442,475,383**
Adjustments to Availability: 2017 Session		
Tax Law Changes	(323,700,000)	(709,500,000)
Diversion of Taxes From Short-Term Lease		
or Rental of Motor Vehicles to Highway Fund	(10,000,000)	(10,000,000)
Diversion to Savings Reserve (S.L. 2017-5)	0	(91,455,000)
Divert Additional MSA funds to Golden Leaf	(10,000,000)	(10,000,000)
Transfer from Federal Insurance Contributions Act (FICA)	1,500,000	0
Transfer to Medicaid Transformation Fund	(75,000,000)	(75,000,000)
Transfer from Department of Insurance	660,204	1,056,527
Transfer from the Department of the State Treasurer	(5,463,867)	(5,445,410)
Subtotal Adjustments to Availability: 2017 Session	**(422,003,663)**	**(900,343,883)**
Revised General Fund Availability	**$ 23,206,975,383**	**$ 23,542,131,500**
Less General Fund Net Appropriation	(22,900,000,000)	(23,445,125,555)
Unappropriated Balance Remaining	**$ 306,975,383**	**$ 97,005,945**

SECTION 2.2.(b) Notwithstanding the provisions of G.S. 143C-4-3(a), the State Controller shall transfer a total of one hundred twenty million dollars ($120,000,000) from the unreserved fund balance to the Repairs and Renovations Reserve on June 30, 2017. This subsection becomes effective June 30, 2017. Funds transferred under this section to the Repairs and Renovations Reserve are appropriated for the 2017-2018 fiscal year and shall be used in accordance with Section 36.5 of this act.

SECTION 2.2.(c) Notwithstanding G.S. 143C-4-2, the State Controller shall transfer a total of three hundred sixty-three million nine hundred twenty-eight thousand three hundred seventy dollars ($363,928,370) from the unreserved fund balance to the Savings Reserve Account on June 30, 2017. This transfer is not an "appropriation made by law," as that

phrase is used in Section 7(1) of Article V of the North Carolina Constitution. This subsection becomes effective June 30, 2017.

SECTION 2.2.(d) Notwithstanding any other provision of law to the contrary, effective June 30, 2017, one million five hundred thousand dollars ($1,500,000) from the NC FICA Account (Budget Code 24160/Fund Code 2000) shall be transferred to the State Controller to be deposited in the appropriate budget code as determined by the State Controller. These funds shall be used to support the General Fund appropriations as specified in this act for the 2017-2018 fiscal year.

SECTION 2.2.(e) The State Controller shall reserve from funds available in the General Fund the sum of seventy-five million dollars ($75,000,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of seventy-five million dollars ($75,000,000) in nonrecurring funds for the 2018-2019 fiscal year. The funds reserved in this subsection shall be transferred and deposited in the Medicaid Transformation Fund established in Section 12H.29 of S.L. 2015-241. Funds deposited in the Medicaid Transformation Fund do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 2.2.(f) Funds reserved in the Medicaid Contingency Reserve established in Section 12H.38 of S.L. 2014-100 do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution.

SECTION 2.2.(g) G.S. 105-187.9(a) reads as rewritten:

"(a) Distribution. – ~~Taxes~~ Of the taxes collected under this Article at the rate of eight percent ~~(8%)~~ (8%), the sum of ten million dollars ($10,000,000) shall be credited annually to the Highway Fund, and the remainder shall be credited to the General Fund. Taxes collected under this Article at the rate of three percent (3%) shall be credited to the North Carolina Highway Trust Fund."

SECTION 2.2.(h) Subsection (g) of this section is effective when this act becomes law and applies to taxes collected on or after that date.

PART III. CURRENT OPERATIONS/HIGHWAY FUND

CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND

SECTION 3.1. Appropriations from the State Highway Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

Current Operations – Highway Fund	**FY 2017-2018**	**FY 2018-2019**
Department of Transportation		
Administration	$ 96,416,366	$ 94,370,410
Division of Highways		
Administration	34,782,224	34,782,224
Construction	76,100,000	76,100,000
Maintenance	1,389,482,939	1,440,670,935
Planning and Research	0	0
OSHA Program	358,030	358,030
State Aid to Municipalities	147,500,000	147,500,000
Intermodal Divisions		
Ferry	44,983,375	44,983,375

Public Transportation	92,527,592	92,527,592
Aviation	94,312,773	104,012,773
Rail	43,659,362	43,850,362
Bicycle and Pedestrian	724,032	724,032
Governor's Highway Safety	255,367	255,367
Division of Motor Vehicles	127,257,318	124,525,997
Other State Agencies, Reserves, Transfers	33,270,363	38,801,934
Capital Improvements	9,616,700	8,600,000
Total Highway Fund Appropriations	**$ 2,191,246,441**	**$ 2,252,063,031**

HIGHWAY FUND AVAILABILITY STATEMENT

SECTION 3.2. The Highway Fund availability used in developing the 2017-2019 fiscal biennial budget is shown below:

Highway Fund Availability Statement	**FY 2017-2018**	**FY 2018-2019**
Unreserved Fund Balance	$ 0	$ 0
Estimated Revenue	2,179,096,441	2,237,763,031
Adjustment to Revenue Availability:		
Division of Motor Vehicles Hearing Fees	2,150,000	4,300,000
Highway Use Tax Lease Proceeds	10,000,000	10,000,000
Total Highway Fund Availability	**$ 2,191,246,441**	**$ 2,252,063,031**
Unappropriated Balance	$ 0	$ 0

PART IV. HIGHWAY TRUST FUND APPROPRIATIONS

HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 4.1. Appropriations from the State Highway Trust Fund for the maintenance and operation of the Department of Transportation and for other purposes as enumerated are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

Current Operations – Highway Trust Fund	**FY 2017-2018**	**FY 2018-2019**
Program Administration	$ 35,156,560	$ 35,156,560
Debt Service	52,160,868	50,036,452
Turnpike Authority	49,000,000	49,000,000
State Ports Authority	45,000,000	45,000,000
Transfer to Highway Fund	400,000	400,000
FHWA State Match	4,640,000	4,640,000
Strategic Prioritization Funding Plan for Transportation Investments	1,361,257,401	1,402,087,304
Total Highway Trust Fund Appropriations	**$ 1,547,614,829**	**$ 1,586,320,316**

HIGHWAY TRUST FUND AVAILABILITY STATEMENT

SECTION 4.2. The Highway Trust Fund availability used in developing the 2017-2019 fiscal biennial budget is shown below:

Highway Trust Fund Availability	**FY 2017-2018**	**FY 2018-2019**
Unreserved Fund Balance	$ 0	$ 0
Estimated Revenue	1,547,614,829	1,586,320,316
Adjustment to Revenue Availability	0	0
Total Highway Trust Fund Availability	**$ 1,547,614,829**	**$ 1,586,320,316**
Unappropriated Balance	$ 0	$ 0

PART V. OTHER APPROPRIATIONS

CASH BALANCES AND OTHER APPROPRIATIONS

SECTION 5.1.(a) Cash balances, federal funds, departmental receipts, grants, and gifts from the General Fund, revenue funds, enterprise funds, and internal service funds are appropriated for the 2017-2019 fiscal biennium as follows:

(1) For all budget codes listed in the Governor's Recommended Budget for the 2017-2019 fiscal biennium, dated March 2017, and in the Budget Support Document, fund balances and receipts are appropriated up to the amounts specified, as adjusted by the General Assembly, for the 2017-2018 fiscal year and the 2018-2019 fiscal year. Funds may be expended only for the programs, purposes, objects, and line items or as otherwise authorized by the General Assembly. Expansion budget funds listed in those documents are appropriated only as otherwise provided in this act.

(2) Notwithstanding the provisions of subdivision (1) of this subsection:

a. Any receipts that are required to be used to pay debt service requirements for various outstanding bond issues and certificates of participation are appropriated up to the actual amounts received for the 2017-2018 fiscal year and the 2018-2019 fiscal year and shall be used only to pay debt service requirements.

b. Other funds, cash balances, and receipts of funds that meet the definition issued by the Governmental Accounting Standards Board of a trust or agency fund are appropriated for and in the amounts required to meet the legal requirements of the trust agreement for the 2017-2018 fiscal year and the 2018-2019 fiscal year.

SECTION 5.1.(b) Receipts collected in a fiscal year in excess of the amounts appropriated by this section shall remain unexpended and unencumbered until appropriated by the General Assembly, unless the expenditure of overrealized receipts in the fiscal year in which the receipts were collected is authorized by the State Budget Act. Overrealized receipts are appropriated in the amounts necessary to implement this subsection.

SECTION 5.1.(c) Notwithstanding subsections (a) and (b) of this section, there is appropriated from the Reserve for Reimbursements to Local Governments and Shared Tax Revenues for each fiscal year an amount equal to the amount of the distributions required by law to be made from that reserve for that fiscal year.

OTHER RECEIPTS FROM PENDING GRANT AWARDS

SECTION 5.2.(a) Notwithstanding G.S. 143C-6-4, State agencies may, with approval of the Director of the Budget, spend funds received from grants awarded subsequent to the enactment of this act for grant awards that are for less than two million five hundred

thousand dollars ($2,500,000), do not require State matching funds, and will not be used for a capital project. State agencies shall report to the Joint Legislative Commission on Governmental Operations within 30 days of receipt of such funds.

State agencies may spend all other funds from grants awarded after the enactment of this act only with approval of the Director of the Budget and after consultation with the Joint Legislative Commission on Governmental Operations.

SECTION 5.2.(b) The Office of State Budget and Management shall work with the recipient State agencies to budget grant awards according to the annual program needs and within the parameters of the respective granting entities. Depending on the nature of the award, additional State personnel may be employed on a time-limited basis. Funds received from such grants are hereby appropriated and shall be incorporated into the authorized budget of the recipient State agency.

SECTION 5.2.(c) Notwithstanding the provisions of this section, no State agency may accept a grant not anticipated in this act if acceptance of the grant would obligate the State to make future expenditures relating to the program receiving the grant or would otherwise result in a financial obligation as a consequence of accepting the grant funds.

EDUCATION LOTTERY FUNDS/CHANGES TO REVENUE ALLOCATIONS/NEEDS-BASED CAPITAL FUND

SECTION 5.3.(a) The appropriations made from the Education Lottery Fund for the 2017-2019 fiscal biennium are as follows:

	FY 2017-2018	**FY 2018-2019**
Noninstructional Support Personnel	$372,266,860	$372,266,860
Prekindergarten Program	78,252,110	78,252,110
Public School Building Capital Fund	100,000,000	100,000,000
Needs-Based School Capital Fund	75,000,000	75,000,000
Scholarships for Needy Students	30,450,000	30,450,000
UNC Need-Based Financial Aid	10,744,733	10,744,733
School-Based Administrator Compensation	28,004,257	33,668,556
TOTAL APPROPRIATION	**$694,717,960**	**$700,382,259**

SECTION 5.3.(b) G.S. 18C-162 reads as rewritten:

"**§ 18C-162. Allocation of revenues.**

(a) The Commission shall allocate revenues to the North Carolina State Lottery Fund in order to increase and maximize the available revenues for education purposes, and to the extent practicable, shall adhere to the following guidelines:

(1) At least fifty percent (50%) of the total annual revenues, as described in this Chapter, shall be returned to the public in the form of prizes.

(2) At least thirty-five percent (35%) of the total annual revenues, as described in this Chapter, shall be transferred as provided in G.S. 18C-164.

(3) No more than eight percent (8%) of the total annual revenues, as described in this Chapter, shall be allocated for payment of expenses of the Lottery. ~~Advertising expenses shall not exceed one percent (1%) of the total annual revenues.~~

(4) No more than seven percent (7%) of the face value of tickets or shares, as described in this Chapter, shall be allocated for compensation paid to lottery game retailers.

(a1) Advertising costs shall not exceed two percent (2%) of the total annual revenues, as described in this Chapter.

...."

SECTION 5.3.(c) G.S. 18C-163(b) reads as rewritten:

"(b) Expenses of the lottery shall also include ~~a~~ all of the following:

(1) A transfer of two million one hundred thousand dollars ($2,100,000) annually to the Department of Public Safety, Alcohol Law Enforcement Branch, for gambling enforcement activities.

(2) Advertising costs."

SECTION 5.3.(d) G.S. 18C-164 reads as rewritten:

"**§ 18C-164. Transfer of net revenues.**

...

(b) ~~From the Education Lottery Fund, the~~The Office of State Budget and Management shall transfer any ~~a sum equal to five percent (5%) of the~~ net revenue in excess of the amount appropriated from the Education Lottery Fund in a fiscal ~~of the prior~~ year to the Education Lottery Reserve Fund. A special revenue fund for this purpose shall be established in the State treasury to be known as the Education Lottery Reserve Fund, and that fund shall ~~be capped at~~maintain a minimum balance of fifty million dollars ($50,000,000). ~~Monies in the Education Lottery Reserve Fund may be appropriated only as provided in subsection (e) of this section~~.

...

(e) ~~If~~ Notwithstanding the minimum balance requirement contained in subsection (b) of this section, if the actual net revenues are less than the appropriation for that given year, then the Governor ~~may~~ shall transfer from the Education Lottery Reserve Fund an amount sufficient to equal the appropriation by the General Assembly. To the extent that the funds described in this subsection are required to be appropriated, they are hereby appropriated for the purpose set forth in this subsection.

~~(f) Actual net revenues in excess of the amounts appropriated in a fiscal year shall remain in the Education Lottery Fund.~~"

SECTION 5.3.(e) There is created the Needs-Based Public School Capital Fund to be administered by the Superintendent of Public Instruction. The Fund shall be used to award grants to counties designated as development tier one or development tier two, as defined by G.S. 143B-437.08, to assist with their critical public school building capital needs. The Superintendent of Public Instruction shall award grants to counties in accordance with the following priorities:

(1) Counties designated as development tier one areas.

(2) Counties with greater need and less ability to generate sales tax and property tax revenue.

(3) Counties with a high debt-to-tax revenue ratio.

(4) The extent to which a project will address critical deficiencies in adequately serving the current and future student population.

SECTION 5.3.(f) Grant funds awarded under this section shall be subject to a matching requirement from the recipient county as follows:

(1) For a county designated as a development tier one area, the grant shall not exceed two dollars ($2.00) in grant funds for every one dollar ($1.00) provided by the county.

(2) For a county designated as a development tier two area, the grant shall not exceed one dollar ($1.00) for every one dollar ($1.00) provided by the county.

The total amount awarded to a single county in a fiscal year shall not exceed ten million dollars ($10,000,000). The total aggregate amount awarded from the Fund in a fiscal year shall not exceed one hundred million dollars ($100,000,000). Grant funds shall be used for new capital projects only. Grant funds shall not be used for real property acquisition or for operational lease agreements.

SECTION 5.3.(g) On or before April 1 of each year, a grant recipient shall submit to the Superintendent of Public Instruction an annual report for the preceding year that describes the progress of the project for which the grant was received. The grant recipient shall submit a final report to the State Superintendent of Public Instruction within three months of the completion of the project.

SECTION 5.3.(h) On or before May 1 of each year, the Superintendent of Public Instruction shall submit a report to the chairs of the Senate Appropriations Committee on Education/Higher Education, the chairs of the House Appropriations Committee on Education, and the Fiscal Research Division. The report shall contain at least all of the following information for the fiscal year:

(1) Number and description of projects awarded.
(2) Total cost of each project and amount supported by the Fund.
(3) Projections for local school administrative unit capital needs for the next 30 years, based upon present conditions and estimated demographic changes.
(4) Any legislative recommendations for improving the Fund program.

CIVIL PENALTY AND FORFEITURE FUND

SECTION 5.4.(a) Appropriations are made from the Civil Penalty and Forfeiture Fund for the fiscal biennium ending June 30, 2019, as follows:

	FY 2017-2018	**FY 2018-2019**
School Technology Fund	$18,000,000	$18,000,000
State Public School Fund	155,754,970	155,754,970
Total Appropriation	**$173,754,970**	**$173,754,970**

SECTION 5.4.(b) Excess receipts realized in the Civil Penalty and Forfeiture Fund in each year of the 2017-2019 fiscal biennium shall remain unspent until appropriated by a further act of the General Assembly.

INDIAN GAMING EDUCATION REVENUE FUND

SECTION 5.5. Notwithstanding G.S. 143C-9-7, the sum of six million dollars ($6,000,000) in each year of the 2017-2019 fiscal biennium is transferred from the Indian Gaming Education Revenue Fund to the Department of Public Instruction, Textbooks, and Digital Resources Allotment.

DISASTER RELIEF FUNDING

SECTION 5.6.(a) Funding. – Of the funds appropriated in this act to the State Emergency Response and Disaster Relief Fund, the sum of one hundred fifty million dollars ($150,000,000) shall be used as follows:

(1) Eighty million dollars ($80,000,000) to provide the State match for federal disaster assistance programs.
(2) Seventy million dollars ($70,000,000) to provide further relief to areas assisted financially under S.L. 2016-124. Funds described in this subdivision may be expended only upon a further act of the General Assembly.

SECTION 5.6.(b) Limitation. – The Governor may not use the funds described in subsection (a) of this section to make budget adjustments under G.S. 143C-6-4 or to make reallocations under G.S. 166A-19.40(c). Nothing in this subsection shall be construed to prohibit the Governor from exercising the Governor's authority under these statutes with respect to funds other than those described in subsection (a) of this section.

SECTION 5.6.(c) No Reversion of Funds. – Funds described in subsection (a) of this section shall remain available to implement the provisions of this section until the General Assembly directs the reversion of any unexpended and unencumbered funds. G.S. 143C-6-23(f1)(1) shall not apply to funds described in subsection (a) of this section.

PART VI. GENERAL PROVISIONS

CONTINGENCY AND EMERGENCY FUND LIMITATION

SECTION 6.1. G.S. 143C-4-4(b) reads as rewritten:

"(b) Authorized Uses. – Notwithstanding any other provision of law, funds appropriated to the Contingency and Emergency Fund may be used only for expenditures required: (i) by a court or Industrial Commission order, (ii) to respond to events as authorized under G.S. 166A-19.40(a) of the North Carolina Emergency Management Act, ~~or (iii) for other statutorily authorized purposes or other contingencies and emergencies.~~(iii) by the State Treasurer to pay death benefits as authorized under Article 12A of Chapter 143 of the General Statutes, (iv) by the Office of the Governor for crime rewards in accordance with G.S. 15-53 and G.S. 15-53.1, (v) by the Industrial Commission for supplemental awards of compensation, or (vi) by the Department of Justice to pay prevailing party legal fees pursuant to court order."

ESTABLISHING OR INCREASING FEES

SECTION 6.2.(a) Notwithstanding G.S. 12-3.1, an agency is not required to consult with the Joint Legislative Commission on Governmental Operations prior to establishing or increasing a fee to the level authorized or anticipated in this act.

SECTION 6.2.(b) Notwithstanding G.S. 150B-21.1A(a), an agency may adopt an emergency rule in accordance with G.S. 150B-21.1A to establish or increase a fee as authorized by this act if the adoption of a rule would otherwise be required under Article 2A of Chapter 150B of the General Statutes.

EXPENDITURES OF FUNDS IN RESERVES LIMITED

SECTION 6.3. Article 4 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"**§ 143C-4-8. Use of funds appropriated to a reserve.**

All funds appropriated into a reserve by a Current Operations Appropriations Act or other act of the General Assembly may be expended only for the purpose or purposes for which the reserve was established."

CAP STATE FUNDED PORTION OF NONPROFIT SALARIES

SECTION 6.4. Article 6 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"**§ 143C-6-21.1. Limitation on use of State funds for nonprofit salaries.**

No more than one hundred twenty thousand dollars ($120,000) in State funds, including any interest earnings accruing from those funds, may be used for the annual salary of any individual employee of a nonprofit organization."

MSA FUND/INCREASE APPROPRIATION TO GOLDEN L.E.A.F.

SECTION 6.5. G.S. 143C-9-3(a1) reads as rewritten:

"(a1) Each year, the sum of ~~ten~~twenty million dollars ~~($10,000,000)~~($20,000,000) from the Settlement Reserve Fund is appropriated to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, and these funds shall not be subject to G.S. 143C-6-23. The remainder of the funds credited to the Settlement Reserve Fund each fiscal year shall be transferred to the General Fund and included in General Fund availability as nontax revenue."

CLARIFY BASE BUDGET DEFINITION

SECTION 6.6.(a) G.S. 143C-1-1(d) reads as rewritten:

"(d) Definitions. – The following definitions apply in this Chapter:

(1) Appropriation. – An enactment by the General Assembly authorizing the withdrawal of money from the State treasury. 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.

...

(1c) 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 intergovermental transfers.

h. Adjustments for statutory appropriations.

...

(28) Statutory appropriation. – An appropriation that authorizes the withdrawal of funds from the State treasury during fiscal years extending beyond the current fiscal biennium, without further act of the General Assembly.

...."

SECTION 6.6.(b) G.S. 115C-562.8(b) reads as rewritten:

"(b) The General Assembly finds that, due to the critical need in this State to provide opportunity for school choice for North Carolina students, it is imperative that the State provide an increase of funds of at least ten million dollars ($10,000,000) each fiscal year for 10 years to the Opportunity Scholarship Grant Fund Reserve. Therefore, there is appropriated from the General Fund to the Reserve the following amounts for each fiscal year to be used for the purposes set forth in this section:

Fiscal Year	Appropriation
2017-2018	$44,840,000
2018-2019	$54,840,000
2019-2020	$64,840,000
2020-2021	$74,840,000
2021-2022	$84,840,000
2022-2023	$94,840,000
2023-2024	$104,840,000
2024-2025	$114,840,000
2025-2026	$124,840,000
2026-2027	$134,840,000

For the 2027-2028 fiscal year and each fiscal year thereafter, there is appropriated from the General Fund to the Reserve the sum of one hundred forty-four million eight hundred forty thousand dollars ($144,840,000) to be used for the purposes set forth in this section. In developing for a fiscal year the base budget, as defined in G.S. 143C-1-1, the Director of the Budget shall include the appropriated amount set forth in this subsection for that particular fiscal year."

SECTION 6.6.(c) Section 11A.3(i) of S.L. 2016-94 reads as rewritten:

"**SECTION 11A.3.(i)** Subsections (a) and (b) of this section apply beginning with the 2016-2017 school year. ~~Subsections (g) and~~Subsection (h) of this section ~~become~~becomes effective July 1, 2017."

SECTION 6.6.(d) Subsection (a) of this section becomes effective July 1, 2017, and applies beginning with the base budget developed for the 2018-2019 fiscal year. The remainder of this section is effective when it becomes law.

USE OF STATE FUNDS/EMPLOYMENT OF OUTSIDE COUNSEL

SECTION 6.7.(a) G.S. 147-17 reads as rewritten:

"**§ 147-17. May employ counsel in cases wherein State is interested.**

(a) No department, officer, agency, institution, commission, bureau or other organized activity of the State which receives support in whole or in part from the State shall employ ~~any~~ private counsel, except with the approval of the Governor. The Governor shall give his approval only if the Attorney General has advised him, as provided in subsection (b) of this section, that it is impracticable for the Attorney General to render the legal services. In any case or proceeding, civil or criminal, in or before any court or agency of this State or any other state or the United States, or in any other matter in which the State of North Carolina is interested, the Governor may employ ~~such special~~ private counsel as he may deem proper or necessary to represent the interest of the State, and may fix the compensation for their services.

(b) The Attorney General shall be counsel for all departments, officers, agencies, institutions, commissions, bureaus or other organized activities of the State which receive support in whole or in part from the State. Whenever the Attorney General shall advise the Governor that it is impracticable for him to render legal services to any State agency, officer, institution, commission, bureau or other organized activity, or to defend a State employee or former employee as authorized by Article 31A of Chapter 143 of the General Statutes, the Governor may authorize the employment of ~~such~~ private counsel, as in his judgment, should be employed to render such services, and may fix the compensation for their services.

(c) The Governor may direct that the compensation fixed under this section for ~~special~~ private counsel shall be paid out of appropriations or other funds credited to the appropriate department, agency, institution, commission, bureau, or other organized activity of the State or out of the Contingency and Emergency Fund.

(c1) Notwithstanding subsection (c) of this section and G.S. 143C-4-4(b), no State funds shall be withdrawn from the State treasury to pay for litigation services provided by private counsel except as expressly authorized by an appropriation of the General Assembly. As used in this subsection, litigation services include legal work conducted in anticipation of, or in preparation for, any suit or action. As used in this section, private counsel includes any licensed attorney retained, engaged, or otherwise representing a department, officer, agency, institution, commission, bureau, or other organized activity of the State but does not include a licensed attorney who holds a permanent budgeted position in either the Department of Justice or the applicable department, officer, agency, institution, commission, bureau, or other organized activity of the State.

(d) In those instances when a department, officer, agency, institution, commission, bureau, or other organized activity of the State which receives support in whole or in part from the State shall employ private counsel other than the Attorney General as permitted by law, such employed counsel shall allocate authority between counsel and the State client in conformance with Rule 1.2 of the North Carolina Rules of Professional Conduct. In those instances where more than one counsel is providing legal representation, counsel, or service on a legal matter on behalf of a State client, the client shall designate in writing which of its legal counsel possesses final decision-making authority on behalf of the State client, and other

co-counsel shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel."

SECTION 6.7.(b) G.S. 114-2.3 reads as rewritten:

"**§ 114-2.3. Use of private counsel limited.**

(a) Every agency, institution, department, bureau, board, or commission of the State, authorized by law to retain private counsel, shall obtain written permission from the Attorney General prior to employing private counsel. This section does not apply to counties, cities, towns, other municipal corporations or political subdivisions of the State, or any agencies of these municipal corporations or political subdivisions, or to county or city boards of education.

(b) Article 2A of this Chapter applies to any contract to retain private counsel authorized by the Attorney General under this section.

(c) Except as provided in G.S. 147-17, the Attorney General shall represent the State in any action requiring the State to be a party under G.S. 1-72.3.

(d) No State funds shall be withdrawn from the State treasury to pay for litigation services provided by private counsel except as expressly authorized by an appropriation of the General Assembly. As used in this subsection, litigation services include legal work conducted in anticipation of, or in preparation for, any suit or action. As used in this section, private counsel includes any licensed attorney retained, engaged, or otherwise representing a department, officer, agency, institution, commission, bureau, or other organized activity of the State but does not include a licensed attorney who holds a permanent budgeted position in either the Department of Justice or the applicable department, officer, agency, institution, commission, bureau, or other organized activity of the State."

SECTION 6.7.(c) G.S. 136-18.03(b) reads as rewritten:

"(b) Authorization. – The Department of Transportation may engage the services of private counsel with the pertinent expertise to provide legal services related to any project undertaken by the Department. The Department shall supervise and manage the private counsel engaged under this section and, excluding legal services related to workers' compensation claims brought by Department employees, shall not be required to obtain written permission or approval from the Attorney General under G.S. 114-2.3. G.S. 147-17(c1) and G.S. 114-2.3(d) do not apply to this section."

SECTION 6.7.(d) G.S. 20-194(b) reads as rewritten:

"(b) In the event that a member of the Highway Patrol or any other State law-enforcement officer is sued in a civil action as an individual for acts occurring while such member was alleged to be acting within the course and scope of his office, employment, service, agency or authority, which was alleged to be a proximate cause of the injury or damage complained of, the Attorney General is hereby authorized to defend such employee through the use of a member of his staff or, in his discretion, employ private counsel, subject to the provisions of Article 31A of Chapter 143 and ~~G.S. 147-17.~~ G.S. 147-17(a) through (c) and (d). Any judgment rendered as a result of said civil action against such member of the Highway Patrol or other State law-enforcement officer, for acts alleged to be committed within the course and scope of his office, employment, service, agency or authority shall be paid as an expense of administration up to the limit provided in the Tort Claims Act."

SECTION 6.7.(e) G.S. 143B-30.1(g) reads as rewritten:

"(g) In the discretion of the Commission, G.S. 114-2.3 and G.S. 147-17(a) through ~~(c)~~ (c1) shall not apply to the Commission if the Commission is being sued by another agency, institution, department, bureau, board, or commission of the State, whether such body is created by the Constitution or by statute. The chairman, upon approval of a majority of the Commission, may retain private counsel to represent the Commission to be paid with available State funds to defend such litigation either independently or in cooperation with the Department of Justice. If private counsel is to be so retained to represent the Commission, the chairman shall designate lead counsel who shall possess final decision-making authority with

respect to the representation, counsel, or service for the Commission. Other counsel for the Commission shall, consistent with the Rules of Professional Conduct, cooperate with such designated lead counsel."

SECTION 6.7.(f) G.S. 143C-6-9 reads as rewritten:

"**§ 143C-6-9. Use of lapsed salary savings.**

(a) Lapsed salary savings may be expended only for nonrecurring purposes or line items.

(b) Lapsed salary savings shall not be used to pay for litigation services provided by private counsel. As used in this subsection, litigation services and private counsel are as defined in G.S. 147-17(c1) and G.S. 114-2.3(d)."

PENDING LITIGATION

SECTION 6.8. Any reference to either the State Board of Elections or the State Ethics Commission in either this act or the Committee Report described in Section 39.2 of this act does not constitute a waiver by the General Assembly regarding the validity and constitutionality of S.L. 2017-6.

PART VII. PUBLIC SCHOOLS

FUNDS FOR CHILDREN WITH DISABILITIES

SECTION 7.1.(a) The State Board of Education shall allocate additional funds for children with disabilities on the basis of four thousand one hundred twenty-five dollars and twenty-seven cents ($4,125.27) per child for fiscal years 2017-2018 and 2018-2019. Each local school administrative unit shall receive funds for the lesser of (i) all children who are identified as children with disabilities or (ii) twelve and one-half percent (12.5%) of its 2017-2018 allocated average daily membership in the local school administrative unit. The dollar amounts allocated under this section for children with disabilities shall also be adjusted in accordance with legislative salary increments, retirement rate adjustments, and health benefit adjustments for personnel who serve children with disabilities.

SECTION 7.1.(b) G.S. 115C-105.25(b) reads as rewritten:

"(b) Subject to the following limitations, local boards of education may transfer and may approve transfers of funds between funding allotment categories:

(1) Repealed by Session Laws 2013-360, s. 8.14, effective July 1, 2013.

(1a) Funds for ~~children with disabilities, career~~career and technical ~~education,~~education and other purposes may be transferred only as permitted by federal law and the conditions of federal grants or as provided through any rules that the State Board of Education adopts to ensure compliance with federal regulations.

(1b) No funds shall be transferred out of the children with disabilities allotment category.

...."

FUNDS FOR ACADEMICALLY GIFTED CHILDREN

SECTION 7.2.(a) The State Board of Education shall allocate additional funds for academically or intellectually gifted children on the basis of one thousand three hundred fourteen dollars and fifty-six cents ($1,314.56) per child for fiscal years 2017-2018 and 2018-2019. A local school administrative unit shall receive funds for a maximum of four percent (4%) of its 2017-2018 allocated average daily membership, regardless of the number of children identified as academically or intellectually gifted in the unit. The dollar amounts allocated under this section for academically or intellectually gifted children shall also be adjusted in accordance with legislative salary increments, retirement rate adjustments, and

health benefit adjustments for personnel who serve academically or intellectually gifted children.

SECTION 7.2.(b) G.S. 115C-105.25(b) is amended by adding a new subdivision to read:

"(3b) No funds shall be transferred out of the academically or intellectually gifted children allotment category."

SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES

SECTION 7.3.(a) Use of Funds for Supplemental Funding. – All funds received pursuant to this section shall be used only (i) to provide instructional positions, instructional support positions, teacher assistant positions, clerical positions, school computer technicians, instructional supplies and equipment, staff development, and textbooks and digital resources and (ii) for salary supplements for instructional personnel and instructional support personnel. Local boards of education are encouraged to use at least twenty-five percent (25%) of the funds received pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades three through eight.

SECTION 7.3.(b) Definitions. – As used in this section, the following definitions apply:

(1) Anticipated county property tax revenue availability. – The county-adjusted property tax base multiplied by the effective State average tax rate.

(2) Anticipated total county revenue availability. – The sum of the following:
   a. Anticipated county property tax revenue availability.
   b. Local sales and use taxes received by the county that are levied under Chapter 1096 of the 1967 Session Laws or under Subchapter VIII of Chapter 105 of the General Statutes.
   c. Fines and forfeitures deposited in the county school fund for the most recent year for which data are available.

(3) Anticipated total county revenue availability per student. – The anticipated total county revenue availability for the county divided by the average daily membership of the county.

(4) Anticipated State average revenue availability per student. – The sum of all anticipated total county revenue availability divided by the average daily membership for the State.

(5) Average daily membership. – Average daily membership as defined in the North Carolina Public Schools Allotment Policy Manual adopted by the State Board of Education. If a county contains only part of a local school administrative unit, the average daily membership of that county includes all students who reside within the county and attend that local school administrative unit.

(6) County-adjusted property tax base. – Computed as follows:
   a. Subtract the present-use value of agricultural land, horticultural land, and forestland in the county, as defined in G.S. 105-277.2, from the total assessed real property valuation of the county.
   b. Adjust the resulting amount by multiplying by a weighted average of the three most recent annual sales assessment ratio studies.
   c. Add to the resulting amount the following:
      1. Present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2.

2. Value of property of public service companies, determined in accordance with Article 23 of Chapter 105 of the General Statutes.
3. Personal property value for the county.

(7) County-adjusted property tax base per square mile. – The county-adjusted property tax base divided by the number of square miles of land area in the county.

(8) County wealth as a percentage of State average wealth. – Computed as follows:

a. Compute the percentage that the county per capita income is of the State per capita income and weight the resulting percentage by a factor of five-tenths.
b. Compute the percentage that the anticipated total county revenue availability per student is of the anticipated State average revenue availability per student and weight the resulting percentage by a factor of four-tenths.
c. Compute the percentage that the county-adjusted property tax base per square mile is of the State-adjusted property tax base per square mile and weight the resulting percentage by a factor of one-tenth.
d. Add the three weighted percentages to derive the county wealth as a percentage of the State average wealth.

(9) Effective county tax rate. – The actual county tax rate multiplied by a weighted average of the three most recent annual sales assessment ratio studies.

(10) Effective State average tax rate. – The average of effective county tax rates for all counties.

(11) Local current expense funds. – The most recent county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(12) Per capita income. – The average for the most recent three years for which data are available of the per capita income according to the most recent report of the United States Department of Commerce, Bureau of Economic Analysis, including any reported modifications for prior years as outlined in the most recent report.

(13) Sales assessment ratio studies. – Sales assessment ratio studies performed by the Department of Revenue under G.S. 105-289(h).

(14) State average adjusted property tax base per square mile. – The sum of the county-adjusted property tax bases for all counties divided by the number of square miles of land area in the State.

(15) State average current expense appropriations per student. – The most recent State total of county current expense appropriations to public schools, as reported by local boards of education in the audit report filed with the Secretary of the Local Government Commission pursuant to G.S. 115C-447.

(16) Supplant. – To decrease local per student current expense appropriations from one fiscal year to the next fiscal year.

(17) Weighted average of the three most recent annual sales assessment ratio studies. – The weighted average of the three most recent annual sales assessment ratio studies in the most recent years for which county current expense appropriations and adjusted property tax valuations are available. If real property in a county has been revalued one year prior to the most recent

sales assessment ratio study, a weighted average of the two most recent sales assessment ratios shall be used. If property has been revalued the year of the most recent sales assessment ratio study, the sales assessment ratio for the year of revaluation shall be used.

SECTION 7.3.(c) Eligibility for Funds. – Except as provided in subsection (g) of this section, the State Board of Education shall allocate these funds to local school administrative units located in whole or in part in counties in which the county wealth as a percentage of the State average wealth is less than one hundred percent (100%).

SECTION 7.3.(d) Allocation of Funds. – Except as provided in subsection (f) of this section, the amount received per average daily membership for a county shall be the difference between the State average current expense appropriations per student and the current expense appropriations per student that the county could provide given the county's wealth and an average effort to fund public schools. To derive the current expense appropriations per student that the county could be able to provide given the county's wealth and an average effort to fund public schools, multiply the county's wealth as a percentage of State average wealth by the State average current expense appropriations per student. The funds for the local school administrative units located in whole or in part in the county shall be allocated to each local school administrative unit located in whole or in part in the county based on the average daily membership of the county's students in the school units. If the funds appropriated for supplemental funding are not adequate to fund the formula fully, each local school administrative unit shall receive a pro rata share of the funds appropriated for supplemental funding.

SECTION 7.3.(e) Formula for Distribution of Supplemental Funding Pursuant to This Section Only. – The formula in this section is solely a basis for distribution of supplemental funding for low-wealth counties and is not intended to reflect any measure of the adequacy of the educational program or funding for public schools. The formula is also not intended to reflect any commitment by the General Assembly to appropriate any additional supplemental funds for low-wealth counties.

SECTION 7.3.(f) Minimum Effort Required. – A county shall receive full funding under this section if the county (i) maintains an effective county tax rate that is at least one hundred percent (100%) of the effective State average tax rate in the most recent year for which data are available or (ii) maintains a county appropriation per student to the school local current expense fund of at least one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools. A county that maintains a county appropriation per student to the school local current expense fund of less than one hundred percent (100%) of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools shall receive funding under this section at the same percentage that the county's appropriation per student to the school local current expense fund is of the current expense appropriations per student to the school local current expense fund that the county could provide given the county's wealth and an average effort to fund public schools.

SECTION 7.3.(g) Nonsupplant Requirement. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2017-2019 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year, or the year for which the most recent data are available, if all of the following criteria apply:

(1) The current expense appropriations per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriations per student for the three prior fiscal years.

(2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

SECTION 7.3.(h) Counties Containing a Base of the Armed Forces. – Notwithstanding any other provision of this section, for the 2017-2019 fiscal biennium, counties containing a base of the Armed Forces of the United States that have an average daily membership of more than 23,000 students shall receive the same amount of supplemental funding for low-wealth counties as received in the 2012-2013 fiscal year.

SECTION 7.3.(i) Funds for EVAAS Data. – Notwithstanding the requirements of subsection (a) of this section, local school administrative units may utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

SECTION 7.3.(j) Reports. – For the 2017-2019 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 15 of each year if it determines that counties have supplanted funds.

SECTION 7.3.(k) Department of Revenue Reports. – The Department of Revenue shall provide to the Department of Public Instruction a preliminary report for the current fiscal year of the assessed value of the property tax base for each county prior to March 1 of each year and a final report prior to May 1 of each year. The reports shall include for each county the annual sales assessment ratio and the taxable values of (i) total real property, (ii) the portion of total real property represented by the present-use value of agricultural land, horticultural land, and forestland, as defined in G.S. 105-277.2, (iii) property of public service companies determined in accordance with Article 23 of Chapter 105 of the General Statutes, and (iv) personal property.

SMALL COUNTY SCHOOL SYSTEM SUPPLEMENTAL FUNDING

SECTION 7.4.(a) Allotment Schedule for the 2017-2019 Fiscal Biennium. – Except as otherwise provided in subsection (d) of this section, each eligible county school administrative unit shall receive a dollar allotment according to the following schedule:

Allotted ADM	Small County Allotment
0-600	$1,710,000
601-1,300	$1,820,000
1,301-1,700	$1,548,700
1,701-2,000	$1,600,000
2,001-2,300	$1,560,000
2,301-2,600	$1,470,000
2,601-2,800	$1,498,000
2,801-3,200	$1,548,000

SECTION 7.4.(b) Phase-Out Provision for the 2017-2018 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2017-2018 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local school administrative units shall be reduced in equal increments in each of the five years after the unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local school administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year

2016-2017 in any fiscal year. A local school administrative unit shall not become ineligible for funding if either the highest of the first two months total projected average daily membership for the current year or the higher of the first two months total prior year average daily membership would otherwise have made the unit eligible for funds under the schedule in subsection (a) of this section.

SECTION 7.4.(c) Phase-Out Provision for the 2018-2019 Fiscal Year. – If a local school administrative unit becomes ineligible for funding under the schedule in subsection (a) of this section in the 2018-2019 fiscal year, funding for that unit shall be phased out over a five-year period. Funding for such local school administrative units shall be reduced in equal increments in each of the five years after the unit becomes ineligible. Funding shall be eliminated in the fifth fiscal year after the local administrative unit becomes ineligible.

Allotments for eligible local school administrative units under this subsection shall not be reduced by more than twenty percent (20%) of the amount received in fiscal year 2017-2018 in any fiscal year. A local school administrative unit shall not become ineligible for funding if either the highest of the first two months total projected average daily membership for the current year or the higher of the first two months total prior year average daily membership would otherwise have made the unit eligible for funds under the schedule in subsection (a) of this section.

SECTION 7.4.(d) Nonsupplant Requirement for the 2017-2019 Fiscal Biennium. – A county in which a local school administrative unit receives funds under this section shall use the funds to supplement local current expense funds and shall not supplant local current expense funds. For the 2017-2019 fiscal biennium, the State Board of Education shall not allocate funds under this section to a county found to have used these funds to supplant local per student current expense funds. The State Board of Education shall make a finding that a county has used these funds to supplant local current expense funds in the prior year or the year for which the most recent data are available, if all of the following criteria apply:

(1) The current expense appropriation per student of the county for the current year is less than ninety-five percent (95%) of the average of local current expense appropriation per student for the three prior fiscal years.

(2) The county cannot show (i) that it has remedied the deficiency in funding or (ii) that extraordinary circumstances caused the county to supplant local current expense funds with funds allocated under this section.

The State Board of Education shall adopt rules to implement the requirements of this subsection.

SECTION 7.4.(e) Reports. – For the 2017-2019 fiscal biennium, the State Board of Education shall report to the Fiscal Research Division prior to May 15 of each fiscal year if it determines that counties have supplanted funds.

SECTION 7.4.(f) Use of Funds. – Local boards of education are encouraged to use at least twenty percent (20%) of the funds they receive pursuant to this section to improve the academic performance of children who are performing at Level I or II on either reading or mathematics end-of-grade tests in grades three through eight.

Local school administrative units may also utilize funds allocated under this section to purchase services that allow for extraction of data from the Education Value-Added Assessment System (EVAAS).

DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)

SECTION 7.5.(a) Funds appropriated in this act for disadvantaged student supplemental funding shall be used, consistent with the policies and procedures adopted by the State Board of Education, only to do the following:

(1) Provide instructional positions or instructional support positions.

(2) Provide professional development.

(3) Provide intensive in-school or after-school remediation, or both.
(4) Purchase diagnostic software and progress-monitoring tools.
(5) Provide funds for teacher bonuses and supplements. The State Board of Education shall set a maximum percentage of the funds that may be used for this purpose.

The State Board of Education may require local school administrative units receiving funding under the Disadvantaged Student Supplemental Fund to purchase the Education Value-Added Assessment System (EVAAS) in order to provide in-depth analysis of student performance and help identify strategies for improving student achievement. This data shall be used exclusively for instructional and curriculum decisions made in the best interest of children and for professional development for their teachers and administrators.

SECTION 7.5.(b) Disadvantaged student supplemental funding (DSSF) shall be allotted to a local school administrative unit based on (i) the unit's eligible DSSF population and (ii) the difference between a teacher-to-student ratio of 1:21 and the following teacher-to-student ratios:

(1) For counties with wealth greater than ninety percent (90%) of the statewide average, a ratio of 1:19.9.
(2) For counties with wealth not less than eighty percent (80%) and not greater than ninety percent (90%) of the statewide average, a ratio of 1:19.4.
(3) For counties with wealth less than eighty percent (80%) of the statewide average, a ratio of 1:19.1.
(4) For local school administrative units receiving DSSF funds in fiscal year 2005-2006, a ratio of 1:16. These local school administrative units shall receive no less than the DSSF amount allotted in fiscal year 2006-2007.

For the purpose of this subsection, wealth shall be calculated under the low-wealth supplemental formula as provided for in this act.

SECTION 7.5.(c) If a local school administrative unit's wealth increases to a level that adversely affects the unit's disadvantaged student supplemental funding (DSSF) allotment ratio, the DSSF allotment for that unit shall be maintained at the prior year level for one additional fiscal year.

UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS

SECTION 7.6. Funds appropriated in this act for the Uniform Education Reporting System (UERS) for the 2017-2019 fiscal biennium shall not revert at the end of each fiscal year but shall remain available until expended.

BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION

SECTION 7.7.(a) Notwithstanding G.S. 143C-6-4, the Department of Public Instruction may, after consultation with the Office of State Budget and Management and the Fiscal Research Division, reorganize the Department, if necessary, to implement the budget reductions for the 2017-2019 fiscal biennium. Consultation shall occur prior to requesting budgetary and personnel changes through the budget revision process. The Department of Public Instruction shall provide a current organization chart and the proposed organization chart clearly identifying the changes for the Department in the consultation process and shall report to the Joint Legislative Commission on Governmental Operations on any reorganization, including any movement of positions and funds between fund codes on a recurring basis.

SECTION 7.7.(b) In implementing budget reductions for the 2017-2019 fiscal biennium, the Department of Public Instruction shall make no reduction to funding for the State Public School Fund, including for the following residential schools: Eastern North Carolina School for the Deaf, the North Carolina School for the Deaf, and the Governor Morehead School, except that the Department may, in its discretion, reduce positions at these institutions

that have been vacant for more than 16 months. The Department shall also make no transfers from or reduction to funding or positions for any of the following:

(1) Communities in Schools of North Carolina, Inc.
(2) Teach For America, Inc.
(3) Beginnings for Parents of Children Who are Deaf or Hard of Hearing, Inc.
(4) The Excellent Public Schools Act, Read to Achieve Program, initially established under Section 7A.1 of S.L. 2012-142.
(5) The North Carolina School Connectivity Program.
(6) The Achievement School District.
(7) Positions appointed by and with a direct report to the State Superintendent of Public Instruction, including those positions described in Section 7.10 of this act.

DPI/ALIGNMENT OF FEDERAL FUNDS

SECTION 7.8. The Department of Public Instruction, in consultation with the Office of State Budget and Management, shall align federal funds to accurately reflect the amount projected to be spent by the Department in each year of the 2017-2019 fiscal biennium in accordance with the State Budget Act, Chapter 143C of the General Statutes, as part of the certification of the budget for the 2017-2019 fiscal biennium.

ADMINISTRATION OF THE EXCELLENT PUBLIC SCHOOLS ACT

SECTION 7.9.(a) From the funds appropriated to implement Section 7A.1 of S.L. 2012-142, as amended, for the 2017-2019 fiscal biennium only, the Department of Public Instruction shall use those funds for the following 13 time-limited positions that support the kindergarten through third grade formative reading assessments pursuant to G.S. 115C-83.6:

Position	Title
65017164	Project Administrator
65017165	Project Lead
65017166	Project Lead
65017167	Program Assistant V
65017169	Northeast Consultant
65017170	Southeast Consultant
65017171	North Central Consultant
65017172	Sandhills Consultant
65017173	Piedmont Triad Consultant
65017174	Southwest Consultant
65017250	Northwest Consultant
65017251	Western Consultant
65021990	Project Coordinator

SECTION 7.9.(b) The positions listed in subsection (a) of this section shall be in addition to the 11 permanent, full-time positions authorized by Section 7A.12 of S.L. 2012-142.

SECTION 7.9.(c) This section expires June 30, 2019.

SUPERINTENDENT OF PUBLIC INSTRUCTION SUPPORT STAFF

SECTION 7.10. Of the funds appropriated by this act to the Department of Public Instruction for the 2017-2019 fiscal biennium, the Superintendent of Public Instruction may use up to four hundred thirty-two thousand six hundred forty-four dollars ($432,644) to appoint, in addition to any other personnel appointed by the Superintendent, up to five full-time equivalent exempt policy-making positions, as defined in G.S. 126-5(b)(3), to staff the office of the Superintendent and assist in the administration of the Superintendent's duties under Article III and Section 4(2) of Article IX of the North Carolina Constitution as an elected officer and

member of the Council of State and as secretary and chief administrative officer of the State Board of Education. Personnel appointed to these positions shall be exempt from the North Carolina Human Resources Act and shall report solely to the Superintendent of Public Instruction. The Superintendent of Public Instruction shall fix the salaries of the personnel for the office of the Superintendent within the funds available as provided by this section. The personnel for the office of the Superintendent of Public Instruction within the Department of Public Instruction shall be in addition to any staff appointed to the Department in accordance with G.S. 115C-21(a)(1). The appointments shall not be subject to approval or disapproval by the State Board of Education.

CARRYFORWARD OF CERTAIN DPI FUNDS

SECTION 7.11.(a) Section 8.7(g) of S.L. 2016-94 reads as rewritten:

"**SECTION 8.7.(g)** Of the funds appropriated to the Department of Public Instruction by this act for the 2016-2017 fiscal year to support teacher compensation models and advanced teaching roles, the Department may use up to two hundred thousand dollars ($200,000) for the State Board of Education to contract with an independent research organization for the pilot evaluations. Any remaining funds may be used to award funds to selected local school administrative units for the implementation of the pilots in accordance with this section. Funds appropriated to the Department of Public Instruction for the 2016-2017 fiscal year for the pilot and for the evaluation of the pilot shall not revert at the end of the fiscal year but shall remain available until expended."

SECTION 7.11.(b) Section 8.27(i) of S.L. 2016-94 reads as rewritten:

"**SECTION 8.27.(i)** Use of Funds. – Of the funds appropriated to the Department of Public Instruction for the 2016-2017 fiscal year to implement the LATP programs, the Department may use up to two hundred thousand dollars ($200,000) in nonrecurring funds for the State Board of Education to contract with the independent research organization as required by this section. Any remaining funds shall be used to award one-year grants to each LATP program selected under subsection (c) of this section for the purposes of implementing the program. Each selected LATP program shall be awarded a proportional amount of the funds available. Funds appropriated to the Department of Public Instruction for the 2016-2017 fiscal year to implement the LATP programs and for the evaluation of the LATP programs shall not revert at the end of the fiscal year but shall remain available until expended."

SECTION 7.11.(c) Section 5 of S.L. 2016-110 reads as rewritten:

"**SECTION 5.** There is appropriated from the General Fund to the Department of Public Instruction four hundred thousand dollars ($400,000) in recurring funds for the 2016-2017 fiscal year for salary and benefits for the ASD Superintendent, staff, and other expenses associated with the ASD. Any funds appropriated for this purpose that are unexpended at the end of the 2016-2017 fiscal year shall not revert but shall remain available for one-time start-up expenses of the ASD until the end of the 2017-2018 fiscal year. There is appropriated from the General Fund to the Department of Public Instruction five hundred thousand dollars ($500,000) for the 2016-2017 fiscal year to contract with an independent research organization to conduct the evaluation required in Section 4 of this act. Funds appropriated to the Department of Public Instruction for the 2016-2017 fiscal year for the evaluation shall not revert at the end of the fiscal year but shall remain available until expended."

SECTION 7.11.(d) This section becomes effective June 30, 2017.

PROHIBIT TRANSFER OF LIMITED ENGLISH PROFICIENCY FUNDS

SECTION 7.12. G.S. 115C-105.25(b) is amended by adding a new subdivision to read:

"(10a) No funds shall be transferred out of the limited English proficiency allotment category."

PROHIBIT TRANSFER OF TEXTBOOKS AND DIGITAL RESOURCES FUNDS

SECTION 7.13. G.S. 115C-105.25 reads as rewritten:

"**§ 115C-105.25. Budget flexibility.**

(a) Consistent with improving student performance, a local board shall provide maximum flexibility to schools in the use of funds to enable the schools to accomplish their goals.

(b) Subject to the following limitations, local boards of education may transfer and may approve transfers of funds between funding allotment categories:

...

(12) No funds shall be transferred out of the textbooks and digital resources allotment category.

(c) To ensure that parents, educators, and the general public are informed on how State funds have been used to address local educational priorities, each local school administrative unit shall publish the following information on its Web site by October 15 of each year:

...

~~(4) A description of any transfer of funds from the textbooks and digital resources allotment into another allotment category with an explanation of why the transfer from the textbooks and digital resources allotment was made to a different allotment category.~~

(5) A chart that clearly reflects how the local school administrative unit spent State funds."

LIMITATIONS ON K-5 CLASSROOM TEACHER POSITIONS/PROGRAM ENHANCEMENT TEACHERS

SECTION 7.14.(a) Section 1(a)(2) of S.L. 1995-450 is repealed.

SECTION 7.14.(b) Beginning with the 2017-2018 fiscal year, the funding allotment for classroom teachers in the State Public School Fund shall be replaced with the following funding allotments:

(1) Classroom teachers in grades kindergarten through five.

(2) Classroom teachers in grades six through 12.

SECTION 7.14.(c) G.S. 115C-105.25(b) reads as rewritten:

"(b) Subject to the following limitations, local boards of education may transfer and may approve transfers of funds between funding allotment categories:

...

(5a) Positions allocated for classroom teachers may be converted to dollar equivalents to contract for visiting international exchange teachers through a visiting international exchange teacher program approved by the State. These positions shall be converted at the statewide average salary for classroom teachers, including benefits. The converted funds shall be used only to provide visiting international exchange teachers with salaries commensurate with their experience levels, to provide any State-approved bonuses, and to cover the costs associated with supporting visiting international exchange teachers within the local school administrative unit, including programming and related activities, background checks, medical coverage, and other program administration services in accordance with the federal regulations for the Exchange Visitor Program, 22 C.F.R. Part 62.

(5b) Except as provided in subdivision (5a) of this subsection, positions allocated for classroom teachers and instructional support personnel may be converted as follows:

a. For the allotment for classroom teachers in grades six through 12, classroom teacher positions may be converted to dollar equivalents for any purpose authorized by the policies of the State Board of Education. These positions shall be converted at the salary on the first step of the "A" Teachers Salary Schedule. ~~Certified position allotments~~These positions shall not be transferred to dollars to hire the same type of position.

b. For the allotment for classroom teachers in grades kindergarten through five, classroom teacher positions allocated for each grade in accordance with State Board of Education policy shall be used only for classroom teacher positions, including program enhancement teachers, as defined in G.S. 115C-301(f)(2), serving students in grades kindergarten through five. Those positions shall not be converted to dollar equivalents for any purpose except to contract for visiting international exchange teachers under subdivision (5a) of this subsection.

c. For the allotment for instructional support personnel, instructional support personnel positions may be converted to dollar equivalents for any purpose authorized by the policies of the State Board of Education. These positions shall be converted at the salary on the first step of the "A" Teachers Salary Schedule. These positions shall not be transferred to dollars to hire the same type of position.

...."

SECTION 7.14.(d) It is the intent of the General Assembly to use the data collected in accordance with the reporting requirements set forth in Section 2 of S.L. 2017-9 to fund a new allotment for kindergarten through fifth grade program enhancement teachers for local school administrative units beginning with the 2018-2019 fiscal year.

CLASS SIZE FLEXIBILITY FOR CURRENT PILOT PROGRAMS

SECTION 7.15.(a) Section 8.7(i) of S.L. 2016-94 is repealed.

SECTION 7.15.(b) Notwithstanding G.S. 115C-301 or Section 1(b) of S.L. 2017-9, local school administrative units approved by the State Board of Education to participate in the teacher compensation models and advanced teaching roles pilot program established under Section 8.7 of S.L. 2016-94 may allow a certain number of schools that were identified in their proposals to exceed individual class size requirements in kindergarten through third grade for the duration of the pilot program ending with the 2019-2020 school year as follows:

(1) Chapel-Hill Carrboro City Schools: 20 schools.
(2) Charlotte-Mecklenburg Schools: 46 schools.
(3) Edgecombe County Schools: 14 schools.
(4) Pitt County Schools: four schools.
(5) Vance County Schools: three schools.
(6) Washington County Schools: five schools.

SECTION 7.15.(c) In addition to the schools listed in subsection (b) of this section, schools participating in the existing Project LIFT, Inc., program in Charlotte-Mecklenburg Schools (CMS) may exceed individual class size requirements in kindergarten through third grade for the duration of that program. The schools participating in the Project LIFT, Inc., program are those schools within the feeder area for West Charlotte High School governed by the collaborative agreement between the CMS Board of Education and Project Leadership and Investment for Transformation.

SECTION 7.15.(d) Subsection (b) of this section expires June 30, 2020.

IMPROVE EDUCATION FINANCIAL AND INFORMATION TRANSPARENCY

SECTION 7.16.(a) The Department of Public Instruction shall implement the School Business System Modernization Plan, as proposed by the State Board of Education in the report required by Section 8.15(b) of S.L. 2016-94, using the funds appropriated by this act for that purpose. It is the intent of the General Assembly to fund a multiphase, multiyear project to (i) modernize State and local education financial, human capital, and school information systems, (ii) provide for a common reporting system and analytics system, (iii) integrate financial, payroll, human resources, and related human capital systems through the use of a new software as a service enterprise resource planning (ERP) solution, make enhancements to existing local systems, or both, and (iv) link the State licensure system with the upgraded local systems. The State Superintendent of Public Instruction (State Superintendent) shall review and improve business processes in the Department of Public Instruction, as appropriate, and modernize State systems at the Department.

SECTION 7.16.(b) The State Superintendent shall work with the Friday Institute for Educational Innovation at North Carolina State University, the Government Data Analytics Center (GDAC), local superintendents, charter school leadership, and local school administrative unit personnel administrators and finance officers to establish common data reporting requirements, consistent with the Uniform Education Reporting System established by the State Board of Education. All local school administrative units and charter schools shall comply with the reporting requirements.

SECTION 7.16.(c) Of the funds appropriated to the Department of Public Instruction by this act for the school business system modernization plan for the 2017-2019 fiscal biennium, the Department may use the sum of up to one million four hundred thirty thousand dollars ($1,430,000) in the 2017-2018 fiscal year and one million four hundred twenty thousand dollars ($1,420,000) in the 2018-2019 fiscal year to establish positions, to contract for services, or both for business-specific project management. The State Superintendent shall be responsible for the implementation of the activities specified under this subsection and may appoint one of the positions established pursuant to Section 7.10 of this act to oversee the business-specific project management required to implement the school business system modernization plan and other operating costs as necessary.

SECTION 7.16.(d) Of the funds appropriated to the Department of Public Instruction by this act for the school business system modernization plan for the 2017-2019 fiscal biennium, the Department shall transfer up to three million two hundred fifty thousand dollars ($3,250,000) for the 2017-2018 fiscal year and up to two hundred fifty thousand dollars ($250,000) for the 2018-2019 fiscal year to GDAC to leverage existing public-private partnerships for the development and deployment of a data integration service that consolidates data from financial, human resources, licensure, student information, and related systems. Implementation shall also include development and deployment of a modern analytical platform and reporting environment. By December 1, 2017, GDAC shall execute any contractual agreements and interagency data sharing agreements necessary to develop the reporting system established by this section.

SECTION 7.16.(e) As required by Section 8.15(c) of S.L. 2016-94, the State Superintendent shall issue a Request for Proposal for an ERP software as a service solution by October 1, 2017. The State Superintendent may issue additional requests for proposals as needed to complete the requirements of subsection (a) of this section. The State Superintendent shall select the vendors for the development and implementation of the ERP and other enhancement solutions.

SECTION 7.16.(f) Prior to executing any contractual agreements and interagency data sharing agreements necessary to develop the financial reporting system as provided for in this section, the State Superintendent shall submit to the Joint Legislative Education Oversight

Committee (Committee) and the Fiscal Research Division an initial report by September 15, 2017, on the progress of GDAC's development and deployment of a data integration service that consolidates data from financial, human resources, licensure, student information, and related systems. The State Superintendent shall also submit an interim report to the Committee and the Fiscal Research Division by January 30, 2018, on the selection of a vendor for an ERP software as a service solution. Thereafter, the State Superintendent shall submit annual reports to the Committee and the Fiscal Research Division by March 15 of each year on the expenditure of funds for the project and progress of implementation until the completion of the project.

SECTION 7.16.(g) Funds appropriated to the Department of Public Instruction for the 2017-2019 fiscal biennium to implement the school business modernization system shall not revert at the end of the fiscal year but shall remain available until expended.

OFFICE OF CHARTER SCHOOLS/WEB-BASED RECORD AND DATA MANAGEMENT

SECTION 7.17.(a) The Department of Public Instruction shall use up to two hundred thousand dollars ($200,000) each fiscal year of the 2017-2019 fiscal biennium to support the purchase of a Web-based electronic records and data reporting management system to automate and streamline reporting and accountability requirements to assist the Office of Charter Schools (OCS) in complying with the annual reporting obligations of charter schools from the following available funds:

(1) For the 2017-2018 fiscal year, the Department shall use funds appropriated to the Department for the Uniform Education Reporting System (UERS) by S.L. 2015-241 for the 2016-2017 fiscal year that were unexpended and did not revert at the end of the 2016-2017 fiscal year in accordance with Section 8.7 of that act.

(2) For the 2018-2019 fiscal year, the Department shall use funds appropriated to the Department for UERS by this act for the 2017-2018 fiscal year that are unexpended and do not revert at the end of the 2017-2018 fiscal year in accordance with Section 7.6 of this act.

SECTION 7.17.(b) The Department shall purchase a system pursuant to subsection (a) of this section that meets all of the following requirements:

(1) Allows OCS to develop and assign submission types to manage compliance with applicable law, control document transparency reporting, and create and manage users and roles throughout the system.

(2) Controls collections of documents to assist in core authorizing functions, including the charter school application and charter school renewal processes.

(3) Provides for the visualization of academic, financial, and demographic information for either an individual school or a portfolio of charter schools.

(4) Provides for the safe and secure electronic storage of documents in a Tier 3 datacenter that meets the following standards:

a. Sarbanes-Oxley Act (SOX) compliant, including Statement on Auditing Standards (SAS) No. 70, Statement on Standards for Attestation Engagements (SSAE) No. 16, Service Organization Control (SOC) No. 1, and SOC No. 2.

b. Health Insurance Portability and Accountability Act (HIPAA) compliant, including the Office for Civil Rights (OCR) HIPAA Audit Protocol.

c. Payment Card Industry (PCI) Data Security Standard (DSS) compliant.

d. Safe Harbor certification program compliant.

STATE BOARD OF EDUCATION/USE OF STATE FUNDS

SECTION 7.18.(a) G.S. 115C-11 reads as rewritten:

"**§ 115C-11. Organization and internal procedures of Board.**

(a) Presiding Officer. – The State Board of Education shall elect from its membership a chairman and vice-chairman. A majority of the Board shall constitute a quorum for the transaction of business. In accordance with the provisions of this section, ~~Per~~per diem and expenses of the appointive members of the Board shall be provided ~~by the General Assembly.~~pursuant to G.S. 138-5. The chairman of the Board shall preside at all meetings of the Board. In the absence of the chairman, the vice-chairman shall preside; in the absence of both the chairman and the vice-chairman, the Board shall name one of its own members as chairman pro tempore.

...

(b) Regular Meetings of Board. – The regular meetings of the Board shall be held each month on a day certain, as determined by the Board. The Board shall determine the hour of the meeting, which may be adjourned from day to day, or to a day certain, until the business before the Board has been completed. Per diem and expenses of appointive and advisory members of the Board shall be provided for up to two business days each month for the regular meetings of the State Board.

(b1) Annual meeting with the State Board of Community Colleges and the Board of Governors of The University of North Carolina. The State Board of Education shall meet with the State Board of Community Colleges and the Board of Governors of The University of North Carolina at least once a year to discuss educational matters of mutual interest and to recommend to the General Assembly such policies as are appropriate to encourage the improvement of public education at every level in this State. The meeting in 1987 and every three years thereafter shall be hosted by the University Board of Governors, the meeting in 1988 and every three years thereafter shall be hosted by the State Board of Education, and the meeting in 1989 and every three years thereafter shall be hosted by the State Board of Community Colleges. Per diem and expenses of appointive and advisory members of the Board shall be provided for the annual meeting required by this subsection.

(c) Special Meetings. – Special meetings of the Board may be set at any regular meeting or may be called by the chairman or by the secretary upon the approval of the chairman: Provided, a special meeting shall be called by the chairman upon the request of any five members of the Board. In case of regular meetings and special meetings, the secretary shall give notice to each member, in writing, of the time and purpose of the meeting, by letter directed to each member at his home post-office address. Such notice must be deposited in the Raleigh Post Office at least three days prior to the date of meeting. Appointive and advisory members of the Board shall not receive per diem and expenses for special meetings of the Board set pursuant to this subsection.

...

(f) Committees. – The Board may create from its membership such committees as it deems necessary to facilitate its business. The chairman of the Board shall with approval of the majority of the Board appoint members to the several committees authorized by the Board and to any additional committees which the chairman may deem to be appropriate. Appointive and advisory members of the Board shall not receive per diem and expenses for committee meetings of the Board, except for a committee meeting held on the same day as a regular meeting of the Board for which per diem and expenses are provided in accordance with subsection (b) of this section.

(f1) General Limitation on Per Diem and Expenses. – Except as otherwise provided in this section and G.S. 115C-12.1, appointive and advisory members of the Board shall not

receive per diem and expenses for activities of the Board, unless such per diem and expenses is otherwise authorized by law for an individual member of the Board serving the State in another capacity.

...."

SECTION 7.18.(b) G.S. 115C-12.1 reads as rewritten:

"**§ 115C-12.1. Training of State Board members.**

The State Board of Education shall establish minimum training requirements for members of the State Board of Education. All Board members shall participate in training programs, as required by the State Board. Per diem and expenses of appointive and advisory members of the State Board shall be provided to members for the training required by this section."

SECTION 7.18.(c) Article 2 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-13.5. Prohibition on use of State funds to employ private counsel in litigation.**

Notwithstanding G.S. 114-2.3 and G.S. 147-17, the State Board of Education shall not use any State funds to employ private counsel to provide litigation services to the State Board of Education. As used in this section, litigation services include legal work conducted in anticipation of or in preparation for any suit or action. As used in this section, private counsel includes any licensed attorney retained, engaged, or otherwise representing the State Board of Education but does not include a licensed attorney who holds a permanent budgeted position in either the Department of Justice or the State Board of Education."

SECTION 7.18.(d) The State Board of Education may only appoint the following personnel positions to support the meetings and direct operations of the office of the State Board of Education:

	Position number	Title
(1)	65023576	Attorney I.
(2)	60009384	Attorney II.
(3)	65003194	Paralegal II.
(4)	60095070	Administrative Assistant I.

The State Board of Education may utilize other staff employed through the Department of Public Instruction to provide administrative and technical assistance to the State Board and to carry out the directives of the State Board.

SECTION 7.18.(e) Subsection (c) of this section shall not apply to State funds that are encumbered for the 2016-2017 fiscal year for the purposes of employing private counsel to represent the State Board of Education.

TEACHERS/ISOLATED K-12 SCHOOLS

SECTION 7.19. G.S. 115C-301, as amended by S.L. 2017-9, is amended by adding a new subsection to read:

"(g1) Notwithstanding any other provision of this section, the State Board of Education shall allot additional classroom teachers to schools containing grades kindergarten through 12 when consolidation is not feasible due to the geographic isolation of the school and the school meets at least one of the following criteria for geographic isolation:

(1) The school is located in a local school administrative unit in which the average daily membership is less than 1.5 per square mile.

(2) The school is located in a local school administrative unit for a county containing more than 150,000 acres of national forest owned by the federal government and managed by the United States Forest Service pursuant to G.S. 104-5.

The State Board shall allot teachers to geographically isolated schools pursuant to this subsection on the basis of one classroom teacher per grade level and shall allot teachers to the

remainder of the local school administrative unit in accordance with the formulas for the regular classroom teacher allotments."

TURNING TAS INTO TEACHERS PILOT EXPANSION

SECTION 7.20. Section 8.29 of S.L. 2016-94 reads as rewritten:

"**TEACHER ASSISTANT TUITION REIMBURSEMENT PILOT PROGRAM**

"**SECTION 8.29.(a)** Purpose. – The purpose of this section is to establish a pilot program ~~for~~ for, beginning with the 2016-2017 fiscal year, the local boards of education of the Anson County, Franklin County, Moore County, Richmond County, and Scotland County school administrative units and, beginning with the 2017-2018 fiscal year, the local boards of education of the Alamance-Burlington Schools, Beaufort County Schools, Bertie County Schools, Duplin County Schools, Edenton-Chowan Schools, Edgecombe County Schools, Guilford County Schools, Halifax County Schools, Nash-Rocky Mount Schools, Northampton County Schools, Randolph County Schools, Tyrrell County Schools, Vance County Schools, and Washington County Schools to provide tuition assistance awards to part-time or full-time teacher assistants working in those local school administrative units to pursue a college degree that will result in teacher licensure. Tuition assistance awards under the program may be provided for part-time or full-time coursework. A local board of education may grant a teacher assistant academic leave to pursue coursework that may only be taken during working hours. A teacher assistant receiving an award under the program shall fulfill the student teaching requirements of an educator preparation program by working in the teacher assistant's employing local school administrative unit. A teacher assistant may continue to receive salary and benefits while student teaching in the local school administrative unit in accordance with G.S. 115C-310.

...

"**SECTION 8.29.(d)** The local boards of education participating in the pilot program for the 2016-2017 fiscal year shall jointly report to the Joint Legislative Education Oversight Committee by September 1, ~~2017,~~ 2017. All of the local boards of education participating in the pilot program shall jointly report to the Joint Legislative Education Oversight Committee by September 1, 2018, and by September 1 of each year thereafter on the results of the pilot program, including at least the following information:

(1) The number and amount of funds in tuition assistance awards provided to teacher assistants.

(2) The number of teacher assistant recipients who achieved teacher licensure, including the period of time from the issue of an initial tuition assistance award to the time of achieving licensure.

(3) The number of recipients who remained employed in the local school administrative unit after achieving teacher licensure."

DRIVER SAFETY INCENTIVE PROGRAM

SECTION 7.21.(a) G.S. 115C-215(a) reads as rewritten:

"(a) In accordance with criteria and standards approved by the State Board of Education, the State Superintendent of Public Instruction shall organize and administer a standardized program of driver education to be offered at the public high schools of this State for all physically and mentally qualified persons who (i) are older than 14 years and six months, (ii) are approved by the principal of the school, pursuant to rules adopted by the State Board of Education, (iii) are enrolled in a public or private high school within the State or are receiving instruction through a home school as provided by Part 3 of Article 39 of Chapter 115C of the General Statutes, and (iv) have not previously enrolled in the program. ~~The driver education program shall be for the purpose of making available public education to all students on driver safety and training.~~ The State Board of Education shall use for this purpose all funds

appropriated to it for this purpose and may use all other funds that become available for its use for this purpose."

SECTION 7.21.(b) G.S. 115C-216(g) reads as rewritten:

"(g) Fee for Instruction. – The local boards of education shall fund driver education courses from funds available to them and may charge each student participating in a driver education course a fee ~~of up to sixty-five dollars ($65.00) to offset~~ in an amount not to exceed the actual costs of providing the ~~training and instruction.~~course to each individual student. If a local board of education charges a fee for participation in a driver education course, the local board ~~shall~~ may provide a process for reduction or waiver of that fee for students unable to pay the fee due to economic ~~hardship.~~hardship, including a process for the local board to be reimbursed for the portion of the course fee that is not charged to an eligible student under the Driver Safety Incentive Program pursuant to G.S. 115C-217."

SECTION 7.21.(c) Article 14 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-217. Driver Safety Incentive Program.**

(a) Reimbursement of Driver Education Costs. – Within the funds made available for this purpose, the Department of Public Instruction shall establish the Driver Safety Incentive Program (Program) for the reimbursement of the direct costs for a driver education course to a parent or legal guardian of a child who (i) is at least 15 years old but less than 18 years old and (ii) successfully obtains a Level 1 limited learner's permit, in accordance with G.S. 20-11, on the child's first attempt at obtaining the permit. The Department shall establish eligibility guidelines for reimbursable costs that shall include a course of driver education prescribed in G.S. 115C-215 or a course of driver instruction at a licensed commercial driver training school. The reimbursement amount shall be up to two hundred seventy-five dollars ($275.00) of the direct costs for one driver education course.

If a local board of education reduces or waives the driver education course fee for a student pursuant to G.S. 115C-216(g), the local board may apply for reimbursement to the Department for the portion of the course fee not charged to a student who is eligible for reimbursement under the Program. The total amount of reimbursement to both the parent or legal guardian and the local board of education shall not exceed two hundred seventy-five dollars ($275.00).

(b) Application. – A parent or legal guardian eligible for reimbursement of the driver education direct costs shall apply to the Department of Public Instruction within 90 days of the child obtaining the limited learner's permit. The application shall be submitted in the form required by the Department and shall include (i) documentation from the Division of Motor Vehicles that the child obtained the limited learner's permit on the first attempt and (ii) an invoice or other documentation approved by the Department to demonstrate the direct costs of the driver education course for which the parent or legal guardian is seeking reimbursement.

If a local board of education has reduced or waived the driver education course fee pursuant to G.S. 115C-216(g) for a student who is eligible for reimbursement under the Program, the student shall provide any documentation necessary to the local board so that the local board may apply to the Department for the reimbursement of the portion of the fee that was not charged to the student. The local board of education may submit an application for reimbursement under this section for up to 60 days after the eligible student provides the local board the documentation required for the application.

(c) Distribution. – The Department of Public Instruction shall make payments for reimbursement within 60 days of the receipt of an application that meets the requirements of this section. In the event that total requests for reimbursement exceed the amounts available for distribution, the monies available shall be distributed in the order of receipt of completed, eligible applications in each fiscal year. In the subsequent fiscal year when funds are available, the Department shall prioritize payment for eligible reimbursement applications submitted in the prior fiscal year that were not paid due to lack of available funds.

(d) Administration. – The State Board of Education, in consultation with the Department of Transportation, Division of Motor Vehicles, shall establish any rules necessary for the administration of the reimbursement program by the Department of Public Instruction, including (i) eligibility rules for a person less than 18 years of age who is no longer a dependent of a parent or legal guardian and (ii) submission of applications in accordance with the provisions of this section. For the purposes of this Program, the Division of Motor Vehicles shall implement a process to provide documentation to drivers obtaining their limited learner's permits on the first attempt. The Department of Public Instruction may use up to five percent (5%) of the funds appropriated for the Program each fiscal year for administrative costs, including reimbursing the Division of Motor Vehicles for costs related to providing documentation to drivers obtaining their limited learner's permits on the first attempt.

(e) Report. – The Department of Public Instruction shall report by March 15 of each fiscal year to the Fiscal Research Division and the Joint Legislative Education Oversight Committee on the administration of the reimbursement program for the prior fiscal year, including (i) the amount of reimbursement funds distributed under the Program, (ii) the type of driver education course submitted for reimbursement of costs, including if the course was operated solely by a local board of education, by a local board of education contracting with another public or a private entity for delivery of the course, or a licensed commercial driver training school, (iii) the extent to which the reimbursement amount covers the total direct cost of driver education courses, (iv) the amount of reimbursements requested by local boards of education to cover reduced or waived course fees, and (v) an estimate of the cost of the Program for the upcoming fiscal year."

SECTION 7.21.(d) G.S. 115C-105.25(b)(11) is repealed.

SECTION 7.21.(e) Section 5.3(c) of S.L. 2015-241, as amended by Section 5.2 of S.L. 2016-94, is repealed.

SECTION 7.21.(f) Subsections (a) and (b) of this section apply beginning with the 2017-2018 school year. Subsection (c) of this section applies to driver education courses completed on or after July 1, 2017.

COOPERATIVE INNOVATIVE HIGH SCHOOL FUNDING CHANGES

SECTION 7.22.(a) Legislative Findings. – The General Assembly finds the following in regard to the State's long-term, ongoing investment in providing high school students with opportunities to obtain postsecondary credit and career credentials at no cost to the student in order to maximize cost savings to students in obtaining a postsecondary education:

(1) Dual enrollment opportunities for high school students have been available in the State for many years but began to significantly grow in the early- to mid-2000s as a result of the General Assembly's enactment of the Innovative Education Initiatives Act and the establishment of the cooperative innovative high school program pursuant to Part 9 of Article 16 of Chapter 115C of the General Statutes. This act demonstrated the State's commitment in prioritizing cooperative efforts between secondary schools and institutions of higher education so as to reduce the high school dropout rate, increase high school and college graduation rates, decrease the need for remediation in institutions of higher education, and raise certificate, associate, and bachelor degree completion rates.

(2) To ensure continued efficiency in the investment of State funds to provide postsecondary dual enrollment programs for high school students, the General Assembly directed the State Board of Education and the State Board of Community Colleges to jointly establish the Career and College Promise Program pursuant to Section 7.1A of S.L. 2011-145, effective January 1,

2012, to consolidate existing cooperative efforts between secondary schools and institutions of higher education by providing (i) for specific pathways for obtaining college credit that is transferable to community colleges and institutions of higher education, (ii) for college credit leading to a subject-area certificate, diploma, or degree, and (iii) through enrollment at a cooperative innovative high school, enabling students to concurrently obtain a high school diploma and to begin or complete an associate degree program, master a certificate or vocational program, or earn up to two years of college credit within five years.

(3) The recent growth in the establishment of cooperative innovative high school programs has resulted in a steady increase in full-time equivalent (FTE) student enrollment at community colleges due to the maturation of those programs, including an increase of one hundred forty percent (140%) in FTE enrollment for these students between 2008-2009 and 2013-2014.

(4) The implementation of other Career and College Promise pathways enabling certain traditional high school students to concurrently enroll in postsecondary courses leading to a defined academic goal has also resulted in a recent rise in student enrollment at community colleges with a thirty percent (30%) increase in the College Transfer pathway and a twenty-one percent (21%) increase in the Career and Technical Education pathway between 2012-2013 and 2013-2014.

(5) For the 2013-2014 academic year, the General Assembly appropriated fifty-seven million dollars ($57,000,000) in State funds to cover community college FTE for 11,389 students during the first year of full implementation of the Career and College Promise Program.

(6) For the 2015-2016 fiscal year, the General Assembly appropriated the following amounts to cover the cost of cooperative innovative high schools and other Career and College Promise programs as follows:

a. For the cooperative innovative high school allotment, the sum of twenty-five million four hundred eighty-eight thousand seven hundred twenty-five dollars ($25,488,725).

b. For community college FTE for the following:

1. For students enrolled in cooperative innovative high schools, the sum of forty-two million two hundred ninety-one thousand three hundred eighty-six dollars (42,291,386).

2. For students enrolled in courses that count toward the College Transfer pathway, the sum of twenty-one million three hundred forty-three thousand five hundred seven dollars ($21,343,507).

3. For students enrolled in courses that count toward the Career and Technical Education pathway, the sum of twenty-one million seven hundred eight thousand nine hundred thirty-two dollars ($21,708,932).

c. For the reimbursement of tuition for constituent institutions of the University of North Carolina as a partner institution of higher education to a cooperative innovative high school, the sum of one million nine hundred forty-five thousand two hundred one dollars ($1,945,201).

d. For the reimbursement of tuition for private colleges located in North Carolina that are a partner institution of higher education to a

cooperative innovative high school, the sum of four hundred fifty-seven thousand six hundred thirty-nine dollars ($457,639).

(7) Since considerable State funds have been appropriated on an ongoing basis to cover the cost of high school student enrollment at community colleges, constituent institutions, and approved private colleges pursuant to G.S. 115C-238.54 and G.S. 115D-5(b)(12) as part of the Career and College Promise programs, it is necessary to examine the total cost of these programs and prioritize the appropriation of State funds to achieve the General Assembly's goal of maximizing cost savings to students in obtaining a postsecondary education. This includes reducing funds allocated for the cooperative innovative high school allotment for local school administrative units with established programs and new programs in areas of the State with significant resources to support those schools and to more effectively utilize these funds in supporting and establishing cooperative innovative high schools in economically distressed areas of the State.

SECTION 7.22.(b) Study. – In accordance with the legislative finding set forth in subdivision (7) of subsection (a) of this section, by February 15, 2018, the State Board of Community Colleges, the Board of Governors of The University of North Carolina, and the State Board of Education shall study and report to the Senate Appropriations Committee on Education/Higher Education, the House Appropriations Committee on Education, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee on the costs associated with the Career and College Promise Program, including operation of cooperative innovative high schools and the cost of concurrent enrollment in the high school and the institution of higher education, student outcomes related to the Program, and any legislative recommendations on modifications to the administration and funding for the Program, including the use of State funds for the planning and establishment of new cooperative innovative high schools in economically distressed areas of the State. Legislative recommendations shall also specifically address the use of the funds for the cooperative innovative high school allotment, whether the allotment is necessary for the operation of the schools, and how modification or discontinuation of the allotment would impact the programs.

SECTION 7.22.(c) Established Cooperative Innovative High Schools Located in Tier III Areas. – For the 2017-2018 fiscal year, notwithstanding G.S. 115C-238.54 and any other provision of law to the contrary, for a cooperative innovative high school that, as of July 1, 2017, (i) was approved under G.S. 115C-238.51A(c), (ii) has received a cooperative innovative high school allotment for at least three of the prior fiscal years, and (iii) is located in a development tier three area as defined in G.S. 143B-437.08, the cooperative innovative high school allotment amount established by the Department of Public Instruction for the 2017-2018 fiscal year shall be reduced by twenty-five percent (25%). For the 2018-2019 fiscal year and subsequent fiscal years, these same schools shall receive a fifty percent (50%) reduction of the cooperative innovative high school allotment amount established by the Department of Public Instruction for each fiscal year in which the allotment is allocated to local school administrative units for approved cooperative innovative high schools. For the 2017-2019 fiscal biennium, these schools shall continue to receive additional State funds for community college FTE and tuition reimbursement for institutions of higher education, as applicable.

SECTION 7.22.(d) Certain New Cooperative Innovative High Schools Located in Tier 1 Areas. – Of the funds made available to the Department of Public Instruction for the 2017-2019 fiscal biennium from the reduction in the cooperative innovative high school allotment for certain schools in accordance with subsection (c) of this section, the Department shall allocate the sum of three hundred sixteen thousand six hundred forty-six dollars ($316,646) in each fiscal year to Northampton County Schools for the Northampton County

New Tech Early College and to Washington County Schools for the Washington County Early College High School.

SECTION 7.22.(e) Other New Cooperative Innovative High Schools Located in Tier I Areas. – For the 2017-2019 fiscal biennium, the Department of Public Instruction shall allocate funds to local school administrative units located in a development tier one area as defined in G.S. 143B-437.08 as of July 1, 2017, with a cooperative innovative high school that (i) was approved by the State Board of Education under G.S. 115C-238.51A(c) and (ii) did not receive cooperative innovative high school allotment funds in a prior fiscal year as follows:

(1) For the 2017-2018 fiscal year, any of the remaining funds available after the Department allocates funds to the local school administrative units as required by subsection (d) of this section shall be allocated in equal amounts by the Department to local school administrative units for each eligible cooperative innovative high school located in the unit.

(2) For the 2018-2019 fiscal year, any of the remaining funds available after the Department allocates funds to the local school administrative units as required by subsection (d) of this section shall be allocated in equal amounts of up to three hundred sixteen thousand six hundred forty-six dollars ($316,646) to local school administrative units for each eligible cooperative innovative high school located in the unit.

SECTION 7.22.(f) Reporting Requirement on the Career and College Promise Programs. – G.S. 115D-5 is amended by adding a new subsection to read:

"(x) In addition to the evaluation of cooperative innovative high schools by the State Board of Education pursuant to G.S. 115C-238.55, the State Board of Community Colleges, in conjunction with the State Board of Education and the Board of Governors of The University of North Carolina, shall evaluate the success of students participating in the Career and College Promise Program, including the College Transfer pathway and the Career and Technical Education pathway. Success shall be measured by high school retention rates, high school completion rates, high school dropout rates, certification and associate degree completion, admission to four-year institutions, postgraduation employment in career or study-related fields, and employer satisfaction of employees who participated in the programs. The Boards shall jointly report by January 15 of each year to the Joint Legislative Education Oversight Committee."

SECTION 7.22.(g) Certain CIHSs Operating Without Additional Funds. – Beginning with the 2017-2018 school year and for subsequent school years thereafter, notwithstanding G.S. 115C-238.51A(c) and G.S. 115C-238.54, Charlotte Middle College at Merancas Campus, Charlotte Teacher Cadet Early College, Harnett County Early College, Agriculture and Science Early College, Onslow Early College High School, and Wake CTE High School North shall be permitted to operate in accordance with G.S. 115C-238.53 and G.S. 115C-238.54 as cooperative innovative high schools approved under G.S. 115C-238.51A(c) and shall be subject to the evaluation requirements of G.S. 115C-238.55.

PREPARING FUTURE WORKFORCE IN CODING AND MOBILE APP DEVELOPMENT GRANT PROGRAM

SECTION 7.23.(a) Program Purpose. – The Department of Public Instruction shall establish the Coding and Mobile Application Grant Program (Program) to develop industry partnerships with local school administrative units and charter schools to design and implement computer science, coding, and mobile application development curricular programs for middle school and high school students. Funds appropriated for the Program shall be used to award competitive grants of up to four hundred thousand dollars ($400,000) each fiscal year to grant recipients. Grant funds shall be used for the purchase of equipment, digital materials, and

related capacity building activities, which may include teacher professional development for coding, computer science, and mobile application development initiatives. Grant recipients shall use no more than five percent (5%) of the grant award each fiscal year for administrative costs.

SECTION 7.23.(b) Program Criteria and Guidelines; Applications. – By August 15, 2017, the Superintendent of Public Instruction shall establish criteria and guidelines for grant applications and Program requirements for local school administrative units and charter schools, including sufficient curricular rigor for courses offered to students. The Department of Public Instruction shall accept applications for the first year of the Program until October 15, 2017. For subsequent fiscal years in which funds are available for new applications to the Program, the Department shall accept applications until May 15 of that year. Grant applicants shall submit at least the following information in their applications:

(1) A description of how the proposed partnership initiative will provide increased career opportunities for students to engage in high-wage, high-skill, and high-demand occupations.

(2) Demonstrated evidence of employer demand for the partnership initiative and related career and technical education (CTE) training, including documentation of industry involvement in the partnership initiative.

(3) A proposed budget for the partnership initiative, including demonstrated commitment of local or regional partners to sustain the programs beyond the initial grant funding.

(4) A description of how the proposed initiative aligns with other programs, including CTE, Career and College Pathways, and postsecondary programs and, if appropriate, how equipment necessary for the initiative will be utilized by partners.

(5) A description of how the project will create innovative, nontraditional, and immediate career pathways for students to enter high demand jobs in the development of mobile software applications.

SECTION 7.23.(c) Selection of Recipients. – In selecting recipients for the Program, the Superintendent of Public Instruction shall consider diversity among the pool of applicants, including geographic location, the positive impact on the community of industry partnerships, and the size of the student population served by the recipient, in order to award funds to the extent possible to grant recipients that represent different characteristics of the State. The Superintendent of Public Instruction shall select initial grant recipients by November 15, 2017, to begin implementation of the partnership initiatives under the Program as early as the spring semester of the 2017-2018 school year. For subsequent fiscal years in which funds are available for new applications to the Program, the Superintendent shall select grant recipients by July 15 of that year.

SECTION 7.23.(d) Reporting Requirements. – By August 1 of each year of the Program, grant recipients shall submit a report to the Department of Public Instruction, beginning with an initial report by August 1, 2018, for the preceding year in which grant funds were expended that provides at least the following information on the partnership initiative:

(1) The use of grant funds.

(2) The number of students by grade level participating in the partnership initiative.

(3) The number of students who subsequently participated in work-based opportunities, internships, or apprenticeship programs and a description of the types of opportunities for those students.

(4) Student outcome data regarding job attainment and postsecondary opportunities as a result of the partnership initiative.

(5) Any other information the Superintendent of Public Instruction deems necessary.

By September 15 of each year of the Program, the Department shall report to the Joint Legislative Education Oversight Committee and the Fiscal Research Division, beginning with an initial report by September 15, 2018, on grant recipients and implementation of the program, including the information required to be reported to the Department pursuant to this subsection and any legislative recommendations for modifications or expansion of the Program.

EXTENDED LEARNING AND INTEGRATED STUDENT SUPPORTS COMPETITIVE GRANT PROGRAM

SECTION 7.24.(a) Of the funds appropriated by this act for the At-Risk Student Services Alternative School Allotment for the 2017-2019 fiscal biennium, the Department of Public Instruction shall use up to six million dollars ($6,000,000) for the 2017-2018 fiscal year and up to six million dollars ($6,000,000) for the 2018-2019 fiscal year for the Extended Learning and Integrated Student Supports Competitive Grant Program (Program). Of these funds, the Department of Public Instruction may use up to two hundred thousand dollars ($200,000) for each fiscal year to administer the Program.

SECTION 7.24.(b) The purpose of the Program is to fund high-quality, independently validated extended learning and integrated student support service programs for at-risk students that raise standards for student academic outcomes by focusing on the following:

(1) Use of an evidence-based model with a proven track record of success.

(2) Inclusion of rigorous, quantitative performance measures to confirm effectiveness of the program.

(3) Deployment of multiple tiered supports in schools to address student barriers to achievement, such as strategies to improve chronic absenteeism, anti-social behaviors, academic growth, and enhancement of parent and family engagement.

(4) Alignment with State performance measures, student academic goals, and the North Carolina Standard Course of Study.

(5) Prioritization in programs to integrate clear academic content, in particular, science, technology, engineering, and mathematics (STEM) learning opportunities or reading development and proficiency instruction.

(6) Minimization of student class size when providing instruction or instructional supports and interventions.

(7) Expansion of student access to high-quality learning activities and academic support that strengthen student engagement and leverage community-based resources, which may include organizations that provide mentoring services and private-sector employer involvement.

(8) Utilization of digital content to expand learning time, when appropriate.

SECTION 7.24.(c) Grants shall be used to award funds for new or existing eligible programs for at-risk students operated by (i) nonprofit corporations and (ii) nonprofit corporations working in collaboration with local school administrative units. Grant participants are eligible to receive grants for up to two years in an amount of up to five hundred thousand dollars ($500,000) each year. Programs should focus on serving (i) at-risk students not performing at grade level as demonstrated by statewide assessments, (ii) students at-risk of dropout, and (iii) students at-risk of school displacement due to suspension or expulsion as a result of anti-social behaviors. Priority consideration shall be given to applications demonstrating models that focus services and programs in schools that are identified as low-performing pursuant to G.S. 115C-105.37.

A grant participant shall provide certification to the Department of Public Instruction that the grants received under the program shall be matched on the basis of three dollars ($3.00) in grant funds for every one dollar ($1.00) in nongrant funds. Matching funds shall not include other State funds. The Department shall also give priority consideration to an applicant that is a nonprofit corporation working in partnership with a local school administrative unit resulting in a match utilizing federal funds under Part A of Title I of the Elementary and Secondary Education Act of 1965, as amended, or Title IV of the Higher Education Act of 1965, as amended, and other federal or local funds. Matching funds may include in-kind contributions for up to fifty percent (50%) of the required match.

SECTION 7.24.(d) A nonprofit corporation may act as its own fiscal agent for the purposes of this Program. Grant recipients shall report to the Department of Public Instruction for the year in which grant funds were expended on the progress of the program, including alignment with State academic standards, data collection for reporting student progress, the source and amount of matching funds, and other measures, before receiving funding for the next fiscal year. Grant recipients shall also submit a final report on key performance data, including statewide test results, attendance rates, graduation rates, and promotion rates, and financial sustainability of the program.

SECTION 7.24.(e) The Department of Public Instruction shall provide an interim report on the Program to the Joint Legislative Education Oversight Committee by September 15, 2018, with a final report on the Program by September 15, 2019. The final report shall include the final results of the Program and recommendations regarding effective program models, standards, and performance measures based on student performance, leveraging of community-based resources to expand student access to learning activities, academic and behavioral support services, and potential opportunities for the State to invest in proven models for future grants programs.

LIFE CHANGING EXPERIENCES SCHOOL PILOT PROGRAM

SECTION 7.25.(a) Of the funds appropriated by this act for the At-Risk Student Services Alternative School Allotment for the 2017-2019 fiscal biennium, the Department of Public Instruction shall use up to three hundred sixty thousand dollars ($360,000) in nonrecurring funds for the 2017-2018 fiscal year and up to three hundred sixty thousand dollars ($360,000) in nonrecurring funds for the 2018-2019 fiscal year to contract with the Children and Parent Resource Group, Inc., to design, implement, and evaluate a two-year Life Changing Experiences School Pilot Program (Project), beginning with the 2017-2018 school year and ending with the 2018-2019 school year. The Project shall be operated and administered for students in grades six through 11 in the following local school administrative units: Mitchell County Schools, Pitt County Schools, Wayne County Schools, and Winston-Salem/Forsyth County Schools. These contract funds shall not be used for any purpose other than to implement the Project in the local school administrative units, which consists of traveling three-dimensional, interactive, holistic, and evidence-based multimedia education in-school programs. The Project includes theme-specific programs screened as school assemblies and additional follow-up applications that address dangerous life and community threatening activities that negatively impact teenagers, including alcohol and other drugs, dangerous driving, violence, and bullying. The goal of these programs is to increase positive intentions and behavioral outcomes by teaching students the techniques and skills that empower them to reach meaningful life goals, employ positive behaviors, and start businesses and social enterprises.

SECTION 7.25.(b) The Children and Parent Resource Group, Inc., in consultation with the Department of Public Instruction, shall submit an initial report on the Project authorized by subsection (a) of this section by March 1, 2018, and a final report by March 1, 2019, to the Joint Legislative Education Oversight Committee and the Fiscal Research

Division. The report shall include an accounting of expenditures and student outcome data related to the operation of the Project.

SCHOOL PERFORMANCE GRADES/ESSA COMPLIANCE

SECTION 7.26.(a) G.S. 115C-12(9)c1. reads as rewritten:

"c1. To issue an annual "report card" for the State and for each local school administrative unit, assessing each unit's efforts to improve student performance based on the growth in performance of the students in each school and taking into account progress over the previous years' level of performance and the State's performance in comparison with other states. This assessment shall take into account factors that have been shown to affect student performance and that the State Board considers relevant to assess the State's efforts to improve student performance. ~~As a part of the~~The annual "report card" for each local school administrative ~~unit,~~unit shall include the following:

1. ~~the~~The State Board shall award, in accordance with G.S. 115C-83.15, an overall numerical school achievement, growth, and performance score on a scale of zero to 100 and a corresponding performance letter grade of A, B, C, D, or F earned by each school within the local school administrative unit. The school performance score and grade shall reflect student performance on annual subject-specific assessments, college and workplace readiness measures, ~~and~~ graduation ~~rates.~~rates, promotion rates, and student progress in achieving English language proficiency. In addition, the State Board shall award separate performance scores and grades for the following:
   I. School performance of certain subgroups of students as provided in G.S. 115C-83.15.
   II. For schools serving students in any grade from kindergarten to eighth grade, ~~separate performance scores and grades shall also be awarded based on the~~school performance in reading and mathematics respectively.
2. ~~The annual "report card" for~~For schools serving students in third ~~grade also shall include~~grade, the number and percentage of third grade students who (i) take and pass the alternative assessment of reading comprehension; (ii) were retained in third grade for not demonstrating reading proficiency as indicated in G.S. 115C-83.7(a); and (iii) were exempt from mandatory third grade retention by category of exemption as listed in G.S. 115C-83.7(b).
3. ~~The annual "report card" for~~For high ~~schools shall also include~~schools, measures of Advanced Placement course participation and International Baccalaureate Diploma Programme participation and Advanced Placement and International Baccalaureate examination participation and performance."

SECTION 7.26.(b) G.S. 115C-47(58) reads as rewritten:

"(58) To Inform the Public About the North Carolina School Report Cards Issued by the State Board of Education. – Each local board of education shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. Each local board of education shall ensure that the overall school performance score and grade earned by each school in the local school administrative unit for the current and previous four school years is prominently displayed on the Web site of the local school administrative unit. If any school in the local school administrative unit is awarded ~~a~~an overall school performance grade of D or F, the local board of education shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 7.26.(c) G.S. 115C-83.15 reads as rewritten:

"**§ 115C-83.15. School achievement, growth, performance scores, and grades.**

(a) School Scores and Grades. – The State Board of Education shall award school achievement, growth, and performance scores and an associated performance grade as required by G.S. 115C-12(9)c1., and calculated as provided in this section. The State Board of Education shall enter all necessary data into the Education Value-Added Assessment System (EVAAS) in order to calculate school performance scores and grades.

(b) Calculation of the School Achievement ~~Score.~~Score as a Measure of Academic Achievement. – In calculating the overall school achievement score earned by ~~schools,~~schools as a measure of academic achievement, the State Board of Education shall total the sum of points earned by a school as follows:

(1) For schools serving any students in kindergarten through eighth grade, the State Board shall assign points on all of the following indicators that are measured for that school:

~~(1)~~a. One point for each percent of students who score at or above proficient on annual assessments for mathematics in grades three through eight.

~~(2)~~b. One point for each percent of students who score at or above proficient on annual assessments for reading in grades three through eight.

~~(3)~~c. One point for each percent of students who score at or above proficient on annual assessments for science in grades five and eight.

d. One point for each percent of students who progress in achieving English language proficiency on annual assessments in grades three through eight.

e. One point for each percent of students who are promoted from the third grade to the fourth grade within four years of a student entering kindergarten.

f. One point for each percent of students who are promoted from the eighth grade to the ninth grade within three years of a student entering sixth grade.

(2) For schools serving any students in ninth through 12th grade, the State Board shall assign points on all of the following indicators that are measured for that school:

~~(4)~~a. One point for each percent of students who score at or above proficient on the Algebra I or Integrated Math I end-of-course test.

~~(5)~~b. One point for each percent of students who score at or above proficient on the English II end-of-course test.

~~(6)~~c. One point for each percent of students who score at or above proficient on the Biology end-of-course test.

~~(7)~~d. One point for each percent of students who complete Algebra II or Integrated Math III with a passing grade.

~~(8)~~e. One point for each percent of students who achieve the minimum score required for admission into a constituent institution of The University of North Carolina on a nationally normed test of college readiness.

~~(9)~~f. One point for each percent of students enrolled in Career and Technical Education courses who meet the standard when scoring at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.

~~(10)~~g. One point for each percent of students who graduate within four years of entering high school.

h. One point for each percent of students who progress in achieving English language proficiency.

In calculating the overall school achievement score earned by schools, the State Board of Education shall (i) use a composite approach to weigh the achievement elements based on the number of students measured by any given achievement element and (ii) proportionally adjust the scale to account for the absence of a school achievement element for award of scores to a school that does not have a measure of one of the school achievement elements annually assessed for the grades taught at that school. The overall school achievement score shall be translated to a 100-point scale and used for school reporting purposes as provided in G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

(c) Calculation of the School Growth ~~Score.~~Score as a Measure of School Quality and Student Success. – Using EVAAS, the State Board shall calculate the overall growth score earned by ~~schools.~~schools as a measure of school quality and student success. In calculating the total growth score earned by schools, the State Board of Education shall weight student growth on the achievement indicators as provided in subsection (b) of this section that have available growth values. The numerical values used to determine whether a school has met, exceeded, or has not met expected growth shall be translated to a 100-point scale and used for school reporting purposes as provided in G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

(d) Calculation of the Overall School Performance Scores and Grades. – The State Board of Education shall use EVAAS to calculate the overall school performance score by adding the school achievement score, as provided in subsection (b) of this section, and the school growth score, as provided in subsection (c) of this section, earned by a school. The school achievement score shall account for eighty percent (80%), and the school growth score shall account for twenty percent (20%) of the total sum. ~~If a school has met expected growth and inclusion of the school's growth score reduces the school's performance score and grade, a school may choose to use the school achievement score solely to calculate the performance score and grade.~~ For all schools, the total school performance score shall be converted to a 100-point scale and used to determine ~~a~~ an overall school performance grade based on the following scale:

(1) A school performance score of at least 90 is equivalent to an overall school performance grade of A.

(2) A school performance score of at least 80 is equivalent to an overall school performance grade of B.

(3) A school performance score of at least 70 is equivalent to an overall school performance grade of C.

(4) A school performance score of at least 60 is equivalent to an overall school performance grade of D.

(5) A school performance score of less than 60 points is equivalent to an overall school performance grade of F.

(d1) Calculation of the School Performance Scores and Grades for Certain Subgroups of Students Served by a School. – In addition to the overall school performance scores and grades awarded under this section, for each school that serves a minimum number of students in a subgroup of students listed in this subsection, the State Board of Education shall use EVAAS to calculate school performance scores and shall determine a corresponding school performance grade for each subgroup using the same method as set forth in subsection (d) of this section. School performance scores for subgroups of students shall not be included in the calculation of the overall school performance scores and grades under subsection (d) of this section.

The State Board shall establish the minimum number of students in a subgroup served by a school that is necessary to disaggregate information on student performance and to determine a school performance grade for that subgroup. The school performance scores and grades shall be reported separately on the annual school report card provided under G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8 for the following subgroups of students:

(1) Economically disadvantaged students.

(2) Students from major racial and ethnic groups.

(3) Children with disabilities.

(4) English learners.

(e) Elementary and Middle School Reading and Math Achievement Scores. – For schools serving students in kindergarten through eighth grade, the school achievement scores in reading and mathematics, respectively, shall be reported separately on the annual school report card provided under G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

(f) Indication of Growth. – In addition to awarding the overall school scores for achievement, growth, and performance and the performance grade, using EVAAS, the State Board shall designate that a school has met, exceeded, or has not met expected growth. The designation of student growth shall be clearly displayed in the annual school report card provided under G.S. 115C-12(9)c1., 115C-218.65, 115C-238.66, and 116-239.8.

(g) Access to Annual Report Card Information on the Department's Web Site. – Beginning with data collected in the 2017-2018 school year, the State Board of Education shall provide user-friendly access to the public on the annual report cards issued for local school administrative units and individual schools pursuant to G.S. 115C-12(9)c1. through the Department of Public Instruction's Web site. The information provided for the annual report card shall be designed and organized to provide at least the following:

(1) A summary for each local school administrative unit and for each individual school of the school performance grades, whether the school has met, exceeded, or has not met expected growth, and any other information required to be provided as part of the annual report card.

(2) The percentage of schools receiving an overall school performance letter grade of A, B, C, D, or F earned by each school located within a local school administrative unit and statewide.

(3) The number of schools that have met, exceeded, or have not met expected growth by each school located within a local school administrative unit and statewide.

(4) A Web page for each individual school that prominently displays the school's performance grades, whether the school has met, exceeded, or has not met expected growth, and the school's performance and growth scores in a way that is easy for the user to read.

(5) The ability to easily compare annual report card information, including school performance grades and whether schools have met, exceeded, or have not met expected growth, for local school administrative units and for individual schools for a time span of at least three years."

SECTION 7.26.(d) Part 1B of Article 8 of Chapter 115C of the General Statutes is amended by adding a new section to read:

"**§ 115C-83.16. School performance indicators for the purpose of compliance with federal law.**

The State Board of Education shall use the school performance scores and grades as calculated under G.S. 115C-83.15 to satisfy the federal requirement under the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act, P.L. 114-95, to meaningfully differentiate the performance of schools on an annual basis. For the purpose of compliance with federal law, the indicators shall be defined as follows:

(1) For schools serving any students in kindergarten through eighth grade, the State Board shall define the indicators as follows:

a. Measures of Academic Achievement. –

1. The academic achievement indicator shall include the following measures:

I. Proficiency on annual assessments for mathematics in grades three through eight.

II. Proficiency on annual assessments for reading in grades three through eight.

2. The other academic indicator shall include the following measures:

I. Proficiency on annual assessments for science in grade five.

II. Proficiency on annual assessments for science in grade eight.

III. The rate of promotion from the third grade to the fourth grade within four years of a student entering kindergarten.

IV. The rate of promotion from the eighth grade to the ninth grade within three years of a student entering sixth grade.

3. The English language proficiency indicator shall be the percentage of students who progress in achieving English language proficiency on annual assessments in grades three through eight.

b. The measure of school quality and student success shall be the growth score earned by schools.

(2) For schools serving any students in ninth through 12th grade, the State Board shall define the indicators as follows:

a. Measures of Academic Achievement. –

1. The academic achievement indicator shall include the following measures:

a. Proficiency on the Algebra I or Integrated Math I end-of-course test.

b. Proficiency on the English II end-of-course test.

2. The other academic indicator shall include the following measures:

a. Proficiency on the Biology end-of-course test.

b. The percentage of students who achieve the minimum score required for admission into a constituent institution of The University of North Carolina on a nationally normed test of college readiness.

c. The percentage of students enrolled in Career and Technical Education courses who meet the standard when scoring at Silver, Gold, or Platinum levels on a nationally normed test of workplace readiness.

3. The graduation rate indicator shall be the percentage of students who graduate within four years of entering high school.

4. The English language proficiency indicator shall be the percentage of students who progress in achieving English language proficiency.

b. The measure of school quality and student success shall be the growth score earned by schools."

SECTION 7.26.(e) G.S. 115C-75.5(5) reads as rewritten:

"(5) Qualifying school. – A low-performing school, as defined in G.S. 115C-105.37, that meets one of the following criteria:

a. The school received ~~a~~an overall school performance score in the lowest five percent (5%) of all schools in the prior school year that meet all of the following requirements:

1. The school includes all or part of grades kindergarten through fifth.

2. The school did not exceed growth in at least one of the prior three school years and did not meet growth in at least one of the prior three school years.

3. One of the models established in G.S. 115C-105.37B for continually low-performing schools had not been adopted for that school for the immediately prior school year."

SECTION 7.26.(f) G.S. 115C-105.37 reads as rewritten:

"**§ 115C-105.37. Identification of low-performing schools.**

(a) Identification of Low-Performing Schools. – The State Board of Education shall identify low-performing schools on an annual basis. Low-performing schools are those that receive ~~a~~an overall school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" as defined by G.S. 115C-83.15.

...

(b) Parental Notice of Low-Performing School Status. – Each school that the State Board identifies as low-performing shall provide written notification to the parents and guardians of students attending that school within 30 days of the identification that includes the following information:

(1) A statement that the State Board of Education has found that the school has "received ~~a~~an overall school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and has been identified as a low-performing school as defined by G.S. 115C-105.37." The statement shall include an explanation of the school performance grades and growth scores.

(2) The school performance grade and growth score received.

(3) Information about the preliminary plan developed under subsection (a1) of this section and the availability of the final plan on the local school administrative unit's Web site.

(4) The meeting date for when the preliminary plan will be considered by the local board of education.

(5) A description of any additional steps the school is taking to improve student performance."

SECTION 7.26.(g) G.S. 115C-105.39A reads as rewritten:

"**§ 115C-105.39A. Identification of low-performing local school administrative units.**

(a) Identification of Low-Performing Local School Administrative Units. – The State Board of Education shall identify low-performing local school administrative units on an annual basis. A low-performing local school administrative unit is a unit in which the majority of the schools in that unit that received ~~a~~an overall school performance grade and school growth score as provided in G.S. 115C-83.15 have been identified as low-performing schools, as provided in G.S. 115C-105.37.

...

(c) Parental Notice of Low-Performing Local School Administrative Unit Status. – Each local school administrative unit that the State Board identifies as low-performing shall provide written notification to the parents and guardians of all students attending any school in the local school administrative unit within 30 days of the identification that includes the following information:

(1) A statement that the State Board of Education has found that a majority of the schools in the local school administrative unit have "received ~~a~~an overall school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and have been identified as low-performing schools as defined by G.S. 115C-105.37." The statement shall also include an explanation of the school performance grades and school growth scores.

(2) The percentage of schools identified as low-performing.

(3) Information about the preliminary plan developed under subsection (b) of this section and the availability of the final plan on the local school administrative unit's Web site.

(4) The meeting date for when the preliminary plan will be considered by the local board of education.

(5) A description of any additional steps the local school administrative unit and schools are taking to improve student performance.

(6) For notifications sent to parents and guardians of students attending a school that is identified as low-performing under G.S. 115C-105.37, a statement that the State Board of Education has found that the school has "received ~~a~~ an overall school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" and has been identified as a low-performing school as defined by G.S. 115C-105.37." This notification also shall include the overall school performance grade and school growth score the school received and an explanation of the school performance grades and school growth scores."

SECTION 7.26.(h) G.S. 115C-218.65 reads as rewritten:

"**§ 115C-218.65. North Carolina School Report Cards.**

A charter school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A charter school shall ensure that the overall school performance score and grade earned by the charter school for the current and previous four school years is prominently displayed on the school Web site. If a charter school is awarded ~~a~~an overall school performance grade of D or F, the charter school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 7.26.(i) G.S. 115C-218.94(a) reads as rewritten:

"(a) Identification of Low-Performing Charter Schools. – The State Board of Education shall identify low-performing charter schools on an annual basis. Low-performing charter schools are those that receive ~~a~~an overall school performance grade of D or F and a school growth score of "met expected growth" or "not met expected growth" as defined by G.S. 115C-83.15."

SECTION 7.26.(j) G.S. 115C-238.66(11) reads as rewritten:

"(11) North Carolina School Report Cards. – A regional school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A regional school shall ensure that the overall school performance score and grade earned by the regional school for the current and previous four school years is prominently displayed on the school Web site. If a regional school is awarded ~~a~~an overall school performance grade of D or F, the regional school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 7.26.(k) G.S. 116-239.8(14) reads as rewritten:

"(14) North Carolina school report cards. – A lab school shall ensure that the report card issued for it by the State Board of Education receives wide distribution to the local press or is otherwise provided to the public. A lab school shall ensure that the overall school performance score and grade earned by the lab school for the current and previous four school years is prominently displayed on the school Web site. If a lab school is awarded ~~a~~an overall school performance grade of D or F, the lab school shall provide notice of the grade in writing to the parent or guardian of all students enrolled in that school."

SECTION 7.26.(*l*) This section applies beginning with the 2017-2018 school year.

READ TO ACHIEVE DIAGNOSTIC CHANGES

SECTION 7.27.(a) G.S. 115C-83.6 reads as rewritten:

"**§ 115C-83.6. Facilitating early grade reading proficiency.**

(a) Kindergarten, first, second, and third grade students shall be assessed with valid, reliable, formative, and diagnostic reading assessments made available to local school administrative units by the State Board of Education pursuant to G.S. 115C-174.11(a). Difficulty with reading development identified through administration of formative and diagnostic assessments shall be addressed with instructional supports and services. Parents or guardians of first and second grade students demonstrating reading comprehension below grade level as identified through assessments administered pursuant to this subsection shall be encouraged to enroll their student in a reading camp provided by the local school administrative unit. Parents or guardians of a student identified as demonstrating reading comprehension below grade level shall make the final decision regarding a student's reading camp attendance.

(a1) ~~To the greatest extent possible, kindergarten~~ Kindergarten through third grade reading assessments shall yield data that can be used with the Education Value-Added Assessment System ~~(EVAAS), or a compatible and comparable system approved by the State Board of Education,~~ (EVAAS) to analyze student data to identify root causes for difficulty with reading development and to determine actions to address them.

…."

SECTION 7.27.(b) G.S. 115C-174.11 reads as rewritten:

"**§ 115C-174.11. Components of the testing program.**

(a) Assessment Instruments for Kindergarten, First, Second, and Third Grades. – The State Board of Education shall develop, adopt, and provide to the local school administrative

units developmentally appropriate individualized assessment instruments consistent with the Basic Education Program and Part 1A of Article 8 of this Chapter for the kindergarten, first, second, and third grades. The State Board shall provide one or more valid, reliable, formative, and diagnostic reading assessment instruments for selection by local school administrative units, in accordance with the following:

(1) The Department of Public Instruction, under the direction of the State Superintendent of Public Instruction, shall evaluate and certify any vendor that provides diagnostic reading assessment instruments before the instruments are provided by the State Board for selection by local school administrative units.

(2) In order to certify a vendor, the Department shall evaluate the vendor to ensure that the diagnostic reading assessment instruments offered by the vendor meet the following criteria:

a. Yield data that can be used with the Education Value-Added Assessment System (EVAAS).

b. Demonstrate close alignment with student performance on State assessments, including all assessments required in kindergarten through third grade by Part 2 of Article 10A of Chapter 115C of the General Statutes.

c. Demonstrate high rates of predictability as to student performance on State assessments, including all assessments required in kindergarten through third grade by Part 2 of Article 10A of Chapter 115C of the General Statutes.

(3) Within 60 days of certifying a new vendor to provide reading assessment instruments pursuant to this subsection, the Department of Public Instruction shall provide written notice of the certification to the General Assembly in accordance with G.S. 120-29.5 and to the Joint Legislative Education Oversight Committee.

(a1) Each local school administrative unit shall select one valid, reliable, formative, and diagnostic reading assessment from the assessment instrument or instruments approved by the State Board under subsection (a) of this section. Local school administrative units shall use ~~these~~ the assessment instruments provided to them by the State Board for kindergarten, first, second, and third grade students to assess progress, diagnose difficulties, and inform instruction and remediation needs. Local school administrative units shall not use standardized tests for summative assessment of kindergarten, first, and second grade students except as required as a condition of receiving federal grants.

...."

SECTION 7.27.(c) This section applies beginning with the 2018-2019 school year.

REIMBURSE INITIAL TEACHER LICENSURE FEE FOR CERTAIN NC TEACHING GRADUATES

SECTION 7.28.(a) G.S. 115C-296 is amended by adding a new subsection to read:

"(a4) Notwithstanding subsection (a2) of this section, the State Board of Education shall reimburse the initial teacher licensure application fee for the first time an applicant submits an application for teacher licensure, if the applicant meets all of the following requirements:

(1) The applicant is a graduate of an approved educator preparation program located in North Carolina.

(2) The applicant has successfully earned an initial teaching license in North Carolina.

The State Board shall issue reimbursement to the applicant within 30 days of the date the applicant successfully earns an initial teaching license in North Carolina."

SECTION 7.28.(b) This section applies to applications for licensure received on or after July 1, 2017.

REVISE TEACHER BONUS PROGRAMS

SECTION 7.29.(a) Section 8.8 of S.L. 2016-94 reads as rewritten:

"**ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE TEACHER BONUS ~~PILOT~~ PROGRAM**

"**SECTION 8.8.(a)** The State Board of Education shall establish the Advanced Placement/International Baccalaureate ~~Pilot~~ Program ~~(pilot program)~~(program) to reward advanced course teacher performance and to encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer bonus pay ~~for two school years~~ through the end of the 2017-2019 fiscal biennium to ~~licensed~~ teachers of advanced ~~courses,~~ courses in public schools, including charter schools, beginning with data from the 2015-2016 school year, in accordance with the following:

(1) A bonus in the amount of fifty dollars ($50.00) for each student taught by an advanced course teacher in each advanced course who receives the following score:

a. For Advanced Placement courses, a score of three or higher on the College Board Advanced Placement Examination.

b. For International Baccalaureate Diploma Programme courses, a score of four or higher on the International Baccalaureate course examination.

(2) No teacher shall be awarded a bonus pursuant to this subsection that exceeds two thousand dollars ($2,000) in any given school year. The bonus awarded to a teacher pursuant to this subsection shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

(3) ~~For advanced course scores collected from the 2015-2016 school year and the 2016-2017 school year, bonuses~~ Bonuses awarded pursuant to this subsection are payable in ~~January 2017 and January 2018, respectively,~~January, based on data from the previous school year, to qualifying advanced course teachers who remain employed teaching ~~advanced courses~~ in the same ~~local school administrative unit~~ school at least from the school year the data is collected until the corresponding school year that the bonus is paid.

"**SECTION 8.8.(b)** For the purposes of this section, an "advanced course" shall mean an Advanced Placement or International Baccalaureate Diploma Programme course.

"**SECTION 8.8.(c)** Notwithstanding G.S. 135-1(7a), the compensation bonuses awarded under this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

"**SECTION 8.8.(d)** The State Board of Education shall ~~report on and study the pilot program as follows:~~

~~(1)~~ ~~The State Board shall~~study the effect of the program on advanced course teacher performance and retention. The State Board shall report the results of its findings and ~~report on~~ the amount of bonuses awarded to advanced course teachers, including the amount awarded for Advanced Placement courses and the amount awarded for International Baccalaureate Diploma Programme courses, to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March ~~15, 2017, and again by March 15, 2018.~~15 of each year bonuses are awarded.

~~(2) The State Board shall study the effect of the pilot program on advanced course teacher performance and retention. The State Board shall report the results of its findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee by March 15, 2018.~~

"**SECTION 8.8.(e)** For the 2017-2018 fiscal year only, the Director of the Budget shall also include in the base budget, as defined by G.S. 143C-1-1(d)(1c), the amount of nonrecurring funds needed to support the ~~pilot~~ program.

"~~**SECTION 8.8.(f)** This section expires June 30, 2018.~~"

SECTION 7.29.(b) Section 8.9 of S.L. 2016-94 reads as rewritten:

"**INDUSTRY CERTIFICATIONS AND CREDENTIALS TEACHER BONUS ~~PILOT~~ PROGRAM**

"**SECTION 8.9.(a)** The State Board of Education, in collaboration with the Department of Commerce, shall establish the Industry Certifications and Credentials Teacher Bonus ~~Pilot~~ Program ~~(pilot program)~~(program) to reward the performance of teachers in public schools, including charter schools, who teach students earning approved industry certifications or credentials consistent with G.S. 115C-156.2 and to encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer bonus pay through the end of the 2017-2019 fiscal biennium~~for two school years~~ to teachers in public schools, including charter schools, who teach students earning approved industry certifications or credentials, beginning with data from the 2015-2016 school year, in accordance with the following:

(1) For teachers who provide direct instruction to students, bonuses shall be provided in the following amounts:
   a. A bonus in the amount of twenty-five dollars ($25.00) for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification or credential with a twenty-five-dollar ($25.00) value ranking as determined under subdivision (3) of this subsection.
   b. A bonus in the amount of fifty dollars ($50.00) for each student taught by a teacher who provided instruction in a course that led to the attainment of an industry certification or credential with a fifty-dollar ($50.00) value ranking as determined under subdivision (3) of this subsection.

(2) No teacher shall be awarded a bonus pursuant to this subsection that exceeds two thousand dollars ($2,000) in any given school year. The bonus awarded to a teacher pursuant to this subsection shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

(3) The Department of Commerce, in consultation with the State Board, shall assign a value ranking for each industry certification and credential based on academic rigor and employment value in accordance with this subdivision. Fifty percent (50%) of the ranking shall be based on academic rigor and the remaining fifty percent (50%) on employment value. Academic rigor and employment value shall be based on the following elements:
   a. Academic rigor shall be based on the number of instructional hours, including work experience or internship hours, required to earn the industry certification or credential, with extra weight given for coursework that also provides community college credit.
   b. Employment value shall be based on the entry wage, growth rate in employment for each occupational category, and average annual

openings for the primary occupation linked with the industry certification or credential.

(4) ~~For data on courses leading to student attainment of industry certifications and credentials collected from the 2015-2016 school year and the 2016-2017 school year, bonuses~~Bonuses awarded pursuant to this subsection are payable in January ~~2017 and January 2018, respectively,~~ to qualifying teachers who remain employed teaching ~~students earning approved industry certifications or credentials~~ in the same ~~local school administrative unit~~ school at least from the school year the data is collected until the corresponding school year that the bonus is paid.

"**SECTION 8.9.(b)** Notwithstanding G.S. 135-1(7a), the compensation bonuses awarded under this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

"**SECTION 8.9.(c)** The State Board of Education shall ~~report on and study the pilot program as follows:~~

~~(1)~~ ~~The State Board shall~~ study the effect of the program on teacher performance and retention. The State Board shall report the results of its findings, ~~on~~ the amount of bonuses awarded to teachers who teach students earning approved industry certifications or ~~credentials~~ credentials, and the type of industry certifications and credentials earned by their students to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March ~~15, 2017, and again by March 15, 2018.~~15 of each year bonuses are awarded.

~~(2)~~ ~~The State Board shall study the effect of the pilot program on teacher performance and retention. The State Board shall report the results of its findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee by March 15, 2018.~~

"**SECTION 8.9.(d)** For the 2017-2018 fiscal year only, the Director of the Budget shall also include in the base budget, as defined by G.S. 143C-1-1(d)(1c), the amount of nonrecurring funds needed to support the ~~pilot~~ program.

"~~**SECTION 8.9.(e)** This section expires June 30, 2018.~~"

SECTION 7.29.(c) Section 9.7 of S.L. 2016-94 reads as rewritten:

"**THIRD GRADE READING TEACHER PERFORMANCE PILOT PROGRAM**

"**SECTION 9.7.(a)** The State Board of Education shall establish the Third Grade Reading Teacher Performance Pilot Program (program) to reward teacher performance and encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer bonus pay to ~~licensed third grade~~ teachers who have an Education Value-Added Assessment System (EVAAS) student growth index score for third grade reading from the previous school year, beginning with the data from the 2015-2016 school year, as follows:

(1) Of the funds appropriated for ~~this~~ the program, five million dollars ($5,000,000) shall be allocated for bonuses to ~~licensed third grade~~ teachers who are in the top twenty-five percent (25%) of teachers in the State according to the EVAAS student growth index score for third grade reading from the previous year. These funds shall be allocated equally among qualifying teachers.

(2) Of the funds appropriated for ~~this~~ the program, five million dollars ($5,000,000) shall be allocated to pay bonuses to ~~licensed third grade~~ teachers who are in the top twenty-five percent (25%) of teachers in their

respective local school administrative units according to the EVAAS student growth index score for third grade reading from the previous year. These funds shall be split proportionally based on average daily membership for each local school administrative unit and then distributed equally among qualifying teachers in each local school administrative unit, subject to the following conditions:

a. Teachers employed in charter schools and regional schools are not eligible to receive a bonus under this subdivision.

b. Any teacher working in a local school administrative unit that employs three or fewer third grade teachers shall receive a bonus under this subdivision if that teacher has an EVAAS student growth index score for third grade reading from the previous school year that exceeds expected growth.

(3) For EVAAS student growth index score data collected during the 2015-2016 school year and the 2016-2017 school year, bonuses awarded pursuant to subdivisions (1) and (2) of this subsection are payable in January of 2017 and January of 2018, respectively, to qualifying ~~third grade~~ teachers who remain employed teaching ~~third grade~~ in the same ~~local school administrative unit~~ school at least from the school year the data is collected until the corresponding school year that the bonus is paid.

(4) A teacher who is eligible to receive a bonus under both subdivisions (1) and (2) of this subsection shall receive both bonuses. The bonus or bonuses awarded to a teacher pursuant to this subsection shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

"**SECTION 9.7.(b)** Notwithstanding G.S. 135-1(7a), the compensation bonuses awarded by this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

"**SECTION 9.7.(c)** The State Board of Education shall ~~report on and study the Third Grade Reading Teacher Performance Pilot Program (Program) as follows:~~

~~(1)~~ ~~The State Board of Education shall~~study the effect of the program on teacher performance and retention. The State Board shall report the results of its findings, ~~report on~~ the distribution of statewide bonuses as among local school administrative ~~units~~ units, and the distribution of bonuses within local school administrative units as among individual schools to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division on March ~~1, 2017, and again on March 1, 2018.~~15 of each year bonuses are awarded.

~~(2)~~ ~~The State Board of Education shall study the effect of the Program on teacher performance and retention. The State Board of Education shall report the results of its findings to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee no later than March 1, 2018.~~

"**SECTION 9.7.(d)** For the 2017-2018 fiscal year only, the Director of the Budget shall also include in the Base Budget, as defined by G.S. 143C-1-1(d)(1c), the amount of nonrecurring funds needed to support the ~~Program.~~program.

"**SECTION 9.7.(e)** This section expires June 30, 2018."

SECTION 7.29.(d) In addition to the bonuses payable in January 2018 pursuant to Sections 8.8(a), 8.9(a), 9.7(a)(1), and 9.7(a)(2) of S.L. 2016-94, as amended by this section, the

Department of Public Instruction shall make payable no later than October 31, 2017, bonuses earned by qualifying teachers pursuant to data from the 2015-2016 school year, as follows:

(1) Bonuses earned pursuant to Section 8.8 or 8.9 of S.L. 2016-94, as amended by this section, that were not paid in January of 2017 because the teacher taught in a charter school.

(2) Bonuses earned pursuant to Section 8.8, 8.9, 9.7(a)(1), or 9.7(a)(2) of S.L. 2016-94, as amended by this section, that were not paid in January of 2017 because the teacher did not continue teaching the same subject or grade level.

SECTION 7.29.(e) Notwithstanding subsections (a), (b), and (c) of this section, the following limitations shall apply to this section:

(1) Every teacher who received a bonus pursuant to Section 8.8, 8.9, or 9.7 of S.L. 2016-94 in January of 2017 shall keep his or her bonus.

(2) Any teacher who would receive a bonus in January of 2018 pursuant to unamended Section 8.8, 8.9, or 9.7 of S.L. 2016-94 shall receive that bonus.

SCHOOL BOARDS CAN'T SUE COUNTIES

SECTION 7.30.(a) G.S. 115C-431 reads as rewritten:

"**§ 115C-431. Procedure for resolution of dispute between board of education and board of county commissioners.**

(a) If the board of education determines that the amount of money appropriated to the local current expense fund, or the capital outlay fund, or both, by the board of county commissioners is not sufficient to support a system of free public schools, the chairman of the board of education and the chairman of the board of county commissioners shall arrange a joint meeting of the two boards to be held within seven days after the day of the county commissioners' decision on the school appropriations.

Prior to the joint meeting, the Senior Resident Superior Court Judge shall appoint a mediator unless the boards agree to jointly select a mediator. The mediator shall preside at the joint meeting and shall act as a neutral facilitator of disclosures of factual information, statements of positions and contentions, and efforts to negotiate an agreement settling the boards' differences.

At the joint meeting, the entire school budget shall be considered carefully and judiciously, and the two boards shall make a good-faith attempt to resolve the differences that have arisen between them.

(b) If no agreement is reached at the joint meeting of the two boards, ~~the mediator shall, at the request of either board, commence a mediation immediately or within a reasonable period of time. The mediation shall be held in accordance with rules and standards of conduct adopted under Chapter 7A of the General Statutes governing mediated settlement conferences but modified as appropriate and suitable to the resolution of the particular issues in disagreement.~~the decision of the county commissioners is final. The local board of education shall not file any legal action challenging the sufficiency of the funds appropriated by the board of county commissioners to the local current expense fund, the capital outlay fund, or both.

~~Unless otherwise agreed upon by both boards, the following individuals shall constitute the two working groups empowered to represent their respective boards during the mediation:~~

~~(1) The chair of each board or the chair's designee;~~

~~(2) The superintendent of the local school administrative unit and the county manager or either's designee;~~

~~(3) The finance officer of each board; and~~

~~(4) The attorney for each board.~~

~~Members of both boards, their chairs, and representatives shall cooperate with and respond to all reasonable requests of the mediator to participate in the mediation. Notwithstanding~~

~~Article 33C of Chapter 143 of the General Statutes, the mediation proceedings involving the two working groups shall be conducted in private. Evidence of statements made and conduct occurring in a mediation are not subject to discovery and are inadmissible in any court action. However, no evidence otherwise discoverable is inadmissible merely because it is presented or discussed in a mediation. The mediator shall not be compelled to testify or produce evidence concerning statements made and conduct occurring in a mediation in any civil proceeding for any purpose, except disciplinary hearings before the State Bar or any agency established to enforce standards of conduct for mediators. Reports by members of either working group to their respective boards shall be made in compliance with Article 33C of Chapter 143 of the General Statutes.~~

~~Unless both boards agree otherwise, or unless the boards have already resolved their dispute, the mediation shall end no later than August 1. The mediator shall have the authority to determine that an impasse exists and to discontinue the mediation. The mediation may continue beyond August 1 provided both boards agree. If both boards agree to continue the mediation beyond August 1, the board of county commissioners shall appropriate to the local school administrative unit for deposit in the local current expense fund a sum of money sufficient to equal the local contribution to this fund for the previous year.~~

~~If the working groups reach a proposed agreement, the terms and conditions must be approved by each board. If no agreement is reached, the mediator shall announce that fact to the chairs of both boards, the Senior Resident Superior Court Judge, and the public. The mediator shall not disclose any other information about the mediation. The mediator shall not make any recommendations or public statement of findings or conclusions.~~

~~The local board of education and the board of county commissioners shall share equally the mediator's compensation and expenses. The mediator's compensation shall be determined according to rules adopted under Chapter 7A of the General Statutes.~~

~~(c) Within five days after an announcement of no agreement by the mediator, the local board of education may file an action in the superior court division of the General Court of Justice. Either board has the right to have the issues of fact tried by a jury. When a jury trial is demanded, the cause shall be set for the first succeeding term of the superior court in the county, and shall take precedence over all other business of the court. However, if the judge presiding certifies to the Chief Justice of the Supreme Court, either before or during the term, that because of the accumulation of other business, the public interest will be best served by not trying the cause at the term next succeeding the filing of the action, the Chief Justice shall immediately call a special term of the superior court for the county, to convene as soon as possible, and assign a judge of the superior court or an emergency judge to hold the court, and the cause shall be tried at this special term. The judge shall find, or if the issue is submitted to the jury, the jury shall find the facts as to the following in order to maintain a system of free public schools as defined by State law and State Board of Education policy: (i) the amount of money legally necessary from all sources and (ii) the amount of money legally necessary from the board of county commissioners. In making the finding, the judge or the jury shall consider the educational goals and policies of the State and the local board of education, the budgetary request of the local board of education, the financial resources of the county and the local board of education, and the fiscal policies of the board of county commissioners and the local board of education.~~

~~All findings of fact in the superior court, whether found by the judge or a jury, shall be conclusive. When the facts have been found, the court shall give judgment ordering the board of county commissioners to appropriate a sum certain to the local school administrative unit, and to levy such taxes on property as may be necessary to make up this sum when added to other revenues available for the purpose.~~

~~(d) An appeal may be taken to the appellate division of the General Court of Justice, and notice of appeal shall be given in writing within 10 days after entry of the judgment. All~~

~~papers and records relating to the case shall be considered a part of the record on appeal. The conclusion of the school or fiscal year shall not be deemed to resolve the question in controversy between the parties while an appeal is still pending. Any final judgment shall be legally binding on the parties at the conclusion of the appellate process. The payment of any final judgment by the county in favor of the local school administrative unit shall not be considered, or used in any manner, to deny or reduce appropriations to the local school administrative unit by the county in fiscal years subsequent to the one at issue to offset such payment of a final judgment.~~

~~(e) If, in an action filed under this section, the final judgment of the General Court of Justice is rendered after the due date prescribed by law for property taxes, the board of county commissioners is authorized to levy such supplementary taxes as may be required by the judgment, notwithstanding any other provisions of law with respect to the time for doing acts necessary to a property tax levy. Upon making a supplementary levy under this subsection, the board of county commissioners shall designate the person who is to compute and prepare the supplementary tax receipts and records for all such taxes. Upon delivering the supplementary tax receipts to the tax collector, the board of county commissioners shall proceed as provided in G.S. 105-321.~~

~~The due date of supplementary taxes levied under this subsection is the date of the levy, and the taxes may be paid at par or face amount at any time before the one hundred and twentieth day after the due date. On or after the one hundred and twentieth day and before the one hundred and fiftieth day from the due date there shall be added to the taxes interest at the rate of two percent (2%). On or after the one hundred and fiftieth day from the due date, there shall be added to the taxes, in addition to the two percent (2%) provided above, interest at the rate of three fourths of one percent (3/4 of 1%) per 30 days or fraction thereof until the taxes plus interest have been paid. No discounts for prepayment of supplementary taxes levied under this subsection shall be allowed.~~"

SECTION 7.30.(b) G.S. 115C-432(a) reads as rewritten:

"(a) After the board of county commissioners has made its appropriations to the local school administrative unit, or after the ~~appeal~~ procedure set out in G.S. 115C-431 has been concluded, the board of education shall adopt a budget resolution making appropriations for the budget year in such sums as the board may deem sufficient and proper. The budget resolution shall conform to the uniform budget format established by the State Board of Education."

SECTION 7.30.(c) This section applies beginning with budget ordinances adopted on or after the date this act becomes law.

PART VIII. COMPENSATION OF PUBLIC SCHOOL EMPLOYEES

TEACHER SALARY SCHEDULE

SECTION 8.1.(a) The following monthly teacher salary schedule shall apply for the 2017-2018 fiscal year to licensed personnel of the public schools who are classified as teachers. The salary schedule is based on years of teaching experience.

2017-2018 Teacher Monthly Salary Schedule

Years of Experience	"A" Teachers
0	$3,500
1	$3,584
2	$3,635
3	$3,688
4	$3,756
5	$3,823
6	$3,907
7	$3,976

8	$4,043
9	$4,111
10	$4,195
11	$4,280
12	$4,364
13	$4,448
14	$4,532
15-19	$4,693
20-24	$4,871
25+	$5,100.

SECTION 8.1.(b) Salary Supplements for Teachers Paid on This Salary Schedule.

(1) Licensed teachers who have NBPTS certification shall receive a salary supplement each month of twelve percent (12%) of their monthly salary on the "A" salary schedule.

(2) Licensed teachers who are classified as "M" teachers shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.

(3) Licensed teachers with licensure based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars ($126.00) per month in addition to the supplement provided to them as "M" teachers.

(4) Licensed teachers with licensure based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars ($253.00) per month in addition to the supplement provided to them as "M" teachers.

(5) Certified school nurses shall receive a salary supplement each month of ten percent (10%) of their monthly salary on the "A" salary schedule.

SECTION 8.1.(c) The first step of the salary schedule for (i) school psychologists, (ii) school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and (iii) school audiologists who are licensed as audiologists at the master's degree level or higher shall be equivalent to the sixth step of the "A" salary schedule. These employees shall receive a salary supplement each month of ten percent (10%) of their monthly salary and are eligible to receive salary supplements equivalent to those of teachers for academic preparation at the six-year degree level or the doctoral degree level.

SECTION 8.1.(d) The twenty-sixth step of the salary schedule for (i) school psychologists, (ii) school speech pathologists who are licensed as speech pathologists at the master's degree level or higher, and (iii) school audiologists who are licensed as audiologists at the master's degree level or higher shall be seven and one-half percent (7.5%) higher than the salary received by these same employees on the twenty-fifth step of the salary schedule.

SECTION 8.1.(e) Beginning with the 2014-2015 fiscal year, in lieu of providing annual longevity payments to teachers paid on the teacher salary schedule, the amounts of those longevity payments are included in the monthly amounts under the teacher salary schedule.

SECTION 8.1.(f) A teacher compensated in accordance with this salary schedule for the 2017-2018 school year shall receive an amount equal to the greater of the following:

(1) The applicable amount on the salary schedule for the applicable school year.

(2) For teachers who were eligible for longevity for the 2013-2014 school year, the sum of the following:

a. The teacher's salary provided in Section 35.11 of S.L. 2013-360.

b. The longevity that the teacher would have received under the longevity system in effect for the 2013-2014 school year provided in

Section 35.11 of S.L. 2013-360 based on the teacher's current years of service.

c. The annual bonus provided in Section 9.1(e) of S.L. 2014-100.

(3) For teachers who were not eligible for longevity for the 2013-2014 school year, the sum of the teacher's salary and annual bonus provided in Section 9.1 of S.L. 2014-100.

SECTION 8.1.(g) As used in this section, the term "teacher" shall also include instructional support personnel.

SUPPORT HIGHLY QUALIFIED NC TEACHING GRADUATES

SECTION 8.2.(a) For purposes of this section, a "highly qualified graduate" is an individual entering the teaching profession who has graduated from an approved educator preparation program located in North Carolina (i) with a grade point average of 3.75 or higher on a 4.0 scale, or its equivalent, and (ii) with a score of 48 or higher on the edTPA assessment or an equivalent score on the nationally normed and valid pedagogy assessment used to determine clinical practice performance. Notwithstanding Section 8.1(a) of this act, a highly qualified graduate shall be paid pursuant to the "A" Teachers salary schedule at the highest level for which that person qualifies, as follows:

(1) A highly qualified graduate licensed and employed to teach by a local board of education who accepts initial employment at a school identified as low-performing by the State Board of Education pursuant to G.S. 115C-105.37 shall be paid as though that person has three years of experience on the "A" Teachers salary schedule during that person's first four years of employment as a teacher, without a break in service, as long as that person remains teaching (i) at the same school or (ii) accepts subsequent employment at another low-performing school or local school administrative unit identified as low-performing.

(2) A highly qualified graduate licensed and employed to teach in the areas of special education, science, technology, engineering, or mathematics shall be paid as though that person has two years of experience on the "A" Teachers salary schedule during that person's first three years of employment as a teacher, without a break in service, as long as that person continues teaching in one of those areas.

(3) A highly qualified graduate licensed and employed to teach by a local board of education shall be paid as though that person has one year of experience on the "A" Teachers salary schedule during that person's first two years of employment as a teacher without a break in service.

SECTION 8.2.(b) This section applies for teachers entering the profession in the 2017-2018 fiscal year.

PRINCIPAL SALARY SCHEDULE

SECTION 8.3.(a) The following annual salary schedule for principals shall apply for the 2017-2018 fiscal year, beginning July 1, 2017.

2017-2018 Principal Annual Salary Schedule

Avg. Daily Membership	Base	Met Growth	Exceeded Growth
0-400	$61,751	$67,926	$74,101
401-700	$64,839	$71,322	$77,806
701-1,000	$67,926	$74,719	$81,511
1,001-1,300	$71,014	$78,115	$85,216
1,301+	$74,101	$81,511	$88,921.

A principal's placement on the salary schedule shall be determined according to the average daily membership of the school supervised by the principal in the current school year and the school growth scores, calculated pursuant to G.S. 115C-83.15(c), for each school the principal supervised for two of the last three school years, regardless of a break in service, and provided the principal supervised each school as a principal for at least a majority of the school year, as follows:

(1) A principal shall be paid at the "Exceeded Growth" level of the schedule if the school growth scores show the school or schools exceeded expected growth in at least two of the last three school years.

(2) A principal shall be paid at the "Met Growth" level of the schedule if either of the following apply:

a. The school growth scores show the school or schools met expected growth in at least two of the last three school years.

b. The school growth scores show the school or schools met expected growth in at least one of the last three school years and exceeded expected growth in one of the last three school years.

(3) A principal shall be paid at the "Base" salary level of the schedule if subdivision (1) or (2) of this subsection is not applicable or if the principal has not supervised a school as a principal in at least two of the last three school years.

SECTION 8.3.(b) Beginning with the 2017-2018 fiscal year, in lieu of providing annual longevity payments to principals paid on the principal salary schedule, the amounts of those longevity payments are included in the annual amounts under the principal salary schedule.

SECTION 8.3.(c) A principal compensated in accordance with this section for the 2017-2018 fiscal year shall receive an amount equal to the greater of the following:

(1) The applicable amount determined pursuant to subsection (a) of this section.

(2) For principals who were eligible for longevity in the 2016-2017 school year, the sum of the following:

a. The principal's salary as provided in Section 9.2 of S.L. 2016-94.

b. The longevity that the principal would have received as provided for State employees under the North Carolina Human Resources Act for the 2016-2017 school year based on the principal's current years of service.

(3) For principals who were not eligible for longevity in the 2016-2017 school year, the principal's salary as provided in Section 9.2 of S.L. 2016-94.

PRINCIPAL BONUSES

SECTION 8.4.(a) The Department of Public Instruction shall administer a bonus in the 2017-2018 fiscal year to any principal who supervised a school as a principal for a majority of the previous school year if that school was in the top fifty percent (50%) of school growth in the State during the previous school year, calculated by the State Board pursuant to G.S. 115C-83.15(c), as follows:

2017-2018 Principal Bonus Schedule

Statewide Growth Percentage	Bonus
Top 5%	$5,000
Top 10%	$4,000
Top 15%	$3,000
Top 20%	$2,000
Top 50%	$1,000.

A principal shall receive no more than one bonus pursuant to this subsection. The bonus shall be paid at the highest amount for which the principal qualifies.

SECTION 8.4.(b) In addition to the bonuses provided pursuant to subsection (a) of this section, the Department shall administer a bonus in the 2017-2018 fiscal year to any principal who supervised the same school as a principal for a majority of the 2015-2016 school year and the 2016-2017 school year if the school was designated by the State Board of Education pursuant to G.S. 115C-83.15(f) as having met expected growth or as having not met expected growth in the 2015-2016 school year and was designated by the State Board as having exceeded expected growth in the 2016-2017 school year. The bonus shall be the greater of the following:

(1) Five thousand dollars ($5,000).

(2) Ten thousand dollars ($10,000) for any principal who supervised a school during the 2015-2016 school year with a school performance grade of D or F, as calculated by the State Board pursuant to G.S. 115C-83.15(d).

SECTION 8.4.(c) No principal shall receive more than two bonuses pursuant to this section. The bonus or bonuses awarded to a principal pursuant to this section shall be in addition to any regular wage or other bonus the principal receives or is scheduled to receive.

SECTION 8.4.(d) Notwithstanding G.S. 135-1(7a), the bonuses awarded in accordance with this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

SECTION 8.4.(e) The bonuses awarded in accordance with this section do not apply to principals no longer employed as a principal due to resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior to July 1, 2017.

SECTION 8.4.(f) It is the intent of the General Assembly that funds provided to local school administrative units pursuant to this section will supplement principal compensation and not supplant local funds.

SECTION 8.4.(g) The bonuses related to these funds shall be paid no later than October 31, 2017.

ASSISTANT PRINCIPAL SALARIES

SECTION 8.5.(a) For the 2017-2018 fiscal year, commencing July 1, 2017, assistant principals shall receive a monthly salary based on the salary schedule for teachers who are classified as "A" teachers plus an additional thirteen percent (13%). Years of experience for an assistant principal on the salary schedule shall be measured by the total number of years the assistant principal has spent as a teacher, an assistant principal, or both. For purposes of this section, an administrator with a one-year provisional assistant principal's certificate shall be considered equivalent to an assistant principal.

SECTION 8.5.(b) Assistant principals with certification based on academic preparation at the six-year degree level shall be paid a salary supplement of one hundred twenty-six dollars ($126.00) per month and at the doctoral degree level shall be paid a salary supplement of two hundred fifty-three dollars ($253.00) per month.

SECTION 8.5.(c) Participants in an approved full-time master's in-school administration program shall receive up to a 10-month stipend at the beginning salary of an assistant principal during the internship period of the master's program. The stipend shall not exceed the difference between the beginning salary of an assistant principal plus the cost of tuition, fees, and books and any fellowship funds received by the intern as a full-time student, including awards of the Principal Fellows Program. The Principal Fellows Program or the school of education where the intern participates in a full-time master's in-school administration program shall supply the Department of Public Instruction with certification of eligible full-time interns.

SECTION 8.5.(d) Beginning with the 2017-2018 fiscal year, in lieu of providing annual longevity payments to assistant principals on the assistant principal salary schedule, the amounts of those longevity payments are included in the monthly amounts provided to assistant principals pursuant subsection (a) of this section.

SECTION 8.5.(e) An assistant principal compensated in accordance with this section for the 2017-2018 school year shall receive an amount equal to the greater of the following:

(1) The applicable amount determined pursuant to subsections (a) through (c) of this section.

(2) For assistant principals who were eligible for longevity in the 2016-2017 school year, the sum of the following:

a. The assistant principal salary as provided in Section 9.2 of S.L. 2016-94.

b. The longevity that the assistant principal would have received as provided for State employees under the North Carolina Human Resources Act for the 2016-2017 school year based on the assistant principal's current years of service.

(3) For assistant principals who were not eligible for longevity in the 2016-2017 school year, the assistant principal's salary as provided in Section 9.2 of S.L. 2016-94.

CENTRAL OFFICE SALARIES

SECTION 8.6.(a) The monthly salary ranges that follow apply to assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2017-2019 fiscal biennium, beginning July 1, 2017:

	Minimum		**Maximum**
School Administrator I	$3,505	to	$6,514
School Administrator II	$3,709	to	$6,907
School Administrator III	$3,931	to	$7,325
School Administrator IV	$4,084	to	$7,615
School Administrator V	$4,245	to	$7,921
School Administrator VI	$4,501	to	$8,397
School Administrator VII	$4,679	to	$8,734.

The local board of education shall determine the appropriate category and placement for each assistant superintendent, associate superintendent, director/coordinator, supervisor, or finance officer within the salary ranges and within funds appropriated by the General Assembly for central office administrators and superintendents. The category in which an employee is placed shall be included in the contract of any employee.

SECTION 8.6.(b) The monthly salary ranges that follow apply to public school superintendents for the 2017-2019 fiscal biennium, beginning July 1, 2017:

	Minimum		**Maximum**
Superintendent I	$4,964	to	$9,263
Superintendent II	$5,268	to	$9,820
Superintendent III	$5,586	to	$10,415
Superintendent IV	$5,926	to	$11,045
Superintendent V	$6,287	to	$11,716.

The local board of education shall determine the appropriate category and placement for the superintendent based on the average daily membership of the local school administrative unit and within funds appropriated by the General Assembly for central office administrators and superintendents.

SECTION 8.6.(c) Longevity pay for superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers shall be as provided for State employees under the North Carolina Human Resources Act.

SECTION 8.6.(d) Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the six-year degree level shall receive a salary supplement of one hundred twenty-six dollars ($126.00) per month in addition to the compensation provided pursuant to this section. Superintendents, assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers with certification based on academic preparation at the doctoral degree level shall receive a salary supplement of two hundred fifty-three dollars ($253.00) per month in addition to the compensation provided for under this section.

SECTION 8.6.(e) The State Board of Education shall not permit local school administrative units to transfer State funds from other funding categories for salaries for public school central office administrators.

NONCERTIFIED PERSONNEL SALARIES

SECTION 8.7.(a) The annual salary increase for permanent, full-time noncertified public school employees whose salaries are supported from the State's General Fund shall be seven hundred fifty dollars ($750.00) or one and one-half percent (1.5%), whichever is greater, commencing July 1, 2017.

SECTION 8.7.(b) Local boards of education shall increase the rates of pay for such employees who were employed for all or part of fiscal year 2016-2017 and who continue their employment for fiscal year 2017-2018 by providing an annual salary increase for employees of seven hundred fifty dollars ($750.00) or one and one-half percent (1.5%), whichever is greater.

For part-time employees, the pay increase shall be pro rata based on the number of hours worked.

SECTION 8.7.(c) The State Board of Education may adopt salary ranges for noncertified personnel to support increases of seven hundred fifty dollars ($750.00) or one and one-half percent (1.5%), whichever is greater, for the 2017-2018 fiscal year.

SCHOOL BOARDS CREATE MINIMUM SALARY SCHEDULE FOR OCCUPATIONAL THERAPISTS AND PHYSICAL THERAPISTS

SECTION 8.8. G.S. 115C-316 is amended by adding a new subsection to read:

"(b1) Every local board of education shall adopt a minimum salary schedule for occupational therapists and physical therapists employed in full-time, permanent positions. The minimum salary schedule shall apply to positions paid from State, local, or federal funds. In accordance with the noncertified salary grades and ranges adopted by the State Board of Education, the minimum salary schedule shall differentiate salaries based on years of experience, but experience-based intervals shall be no greater than five years. Local boards of education may compensate occupational therapists and physical therapists above the minimum salary schedule provided all State-funded salaries are within the noncertified salary grades and ranges adopted by the State Board of Education."

THIRD GRADE READING TEACHER BONUS PROGRAM FOR 2018-2019

SECTION 8.9.(a) It is the intent of the State to reward teacher performance and encourage student learning and improvement. To attain this goal, the Department of Public Instruction shall administer the Third Grade Reading Teacher Bonus Program (program) for the 2018-2019 fiscal year to qualifying teachers who have an Education Value-Added Assessment

System (EVAAS) student growth index score for third grade reading from the previous school year, as follows:

(1) For purposes of this section, the following definitions shall apply:
  a. Eligible Teacher. – A teacher who remains teaching in the same school at least from the school year the data for the EVAAS student growth index score for third grade reading is collected until the school year a bonus provided under this subsection is paid.
  b. Qualifying Teacher. – An eligible teacher who meets one or both of the following criteria:
    1. Is in the top twenty-five percent (25%) of teachers in the State according to the EVAAS student growth index score for third grade reading from the previous school year.
    2. Is in the top twenty-five percent (25%) of teachers in the teacher's respective local school administrative unit according to the EVAAS student growth index score for third grade reading from the previous school year.

(2) Of the funds appropriated for this program, five million dollars ($5,000,000) shall be allocated for bonuses to qualifying teachers under subdivision (1)b.1. of this subsection. Funds appropriated for this purpose shall be distributed equally among qualifying teachers.

(3) Of the funds appropriated for this program, five million dollars ($5,000,000) shall be allocated for bonuses to qualifying teachers under subdivision (1)b.2. of this subsection. Funds allocated for this bonus shall be divided proportionally based on average daily membership in third grade for each local school administrative unit and then distributed equally among qualifying teachers in each local school administrative unit, subject to the following conditions:
  a. Teachers employed in charter schools, regional schools, and University of North Carolina laboratory schools are not eligible to receive a bonus under this subdivision.
  b. Any teacher working in a local school administrative unit that employs three or fewer third grade teachers shall receive a bonus under this subdivision if that teacher has an EVAAS student growth index score for third grade reading from the previous school year that exceeds expected growth.

(4) Bonuses awarded pursuant to subdivisions (2) and (3) of this subsection are payable in January to qualifying teachers based on EVAAS student growth index score data from the previous school year.

(5) A qualifying teacher may receive a bonus under both subdivisions (2) and (3) of this subsection.

(6) The bonus or bonuses awarded to a qualifying teacher pursuant to this section shall be in addition to any regular wage or other bonus the teacher receives or is scheduled to receive.

SECTION 8.9.(b) Notwithstanding G.S. 135-1(7a), the bonuses awarded by this section are not compensation under Article 1 of Chapter 135 of the General Statutes, the Teachers' and State Employees' Retirement System.

SECTION 8.9.(c) The State Board of Education shall study the effect of the bonuses awarded pursuant to this section on teacher performance and retention. The State Board shall report the results of its findings, the distribution of statewide bonuses as among local school administrative units, and the distribution of bonuses within local school administrative units as among individual schools to the President Pro Tempore of the Senate,

the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division by March 15, 2019.

PART IX. COMMUNITY COLLEGES

REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE

SECTION 9.1.(a) Notwithstanding any other provision of law and consistent with the authority established in G.S. 115D-3, the President of the North Carolina Community College System may reorganize the System Office in accordance with recommendations and plans submitted to and approved by the State Board of Community Colleges.

SECTION 9.1.(b) This section expires June 30, 2018.

CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS

SECTION 9.2. Of the funds appropriated to the Community Colleges System Office for the 2017-2019 fiscal biennium for the College Information System, up to one million two hundred fifty thousand dollars ($1,250,000) shall not revert at the end of each fiscal year but shall remain available until expended. These funds may be used only to purchase periodic system upgrades and modernize the North Carolina Community College System's enterprise resource planning (ERP) system.

COMMUNITY COLLEGE WORKFORCE STUDY

SECTION 9.3.(a) The State Board of Community Colleges shall study the costs of workforce training and academic instruction delivered by the community colleges. The study shall assess, at minimum, the various factors that affect instructional costs in these courses, including specialized equipment requirements, faculty salaries, and space requirements.

SECTION 9.3.(b) By September 1, 2018, the State Board shall submit a report to the Office of State Budget and Management, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee on the results of the study, including any recommendations on the calculation of tiered funding rates and the classification of courses by tier.

BUDGET ALIGNMENT FOR BIONETWORK GRANTS AND CC SPECIALIZED CENTERS AND PROGRAMS

SECTION 9.4. Of the funds reduced by this act for the Bionetwork Grants and the Specialized Centers and Programs to align budgeted funds with actual expenditures for the 2017-2019 fiscal biennium, the Community Colleges System Office shall, to the extent practicable, hold harmless for the 2017-2019 biennium those community colleges that expended all of the funds allocated to them through the affected programs in the 2016-2017 fiscal year.

START-UP FUNDS FOR HIGH-COST WORKFORCE CURRICULUM COURSES

SECTION 9.5.(a) The State Board of Community Colleges shall establish the Community College High-Cost Workforce Program Grant to allocate funds to community colleges to establish new high-cost workforce Tier 1A and Tier 1B courses that require significant start-up funds. The State Board shall adopt an application process for community colleges to apply for the award of funds to establish new courses beginning with the 2018-2019 fiscal year. To be eligible to receive the funds, community colleges shall submit to the State Board a completed application, which shall include at least the following information:

(1) A description of the proposed program of study.

(2) An impact assessment of implementing the proposed course on existing programs at contiguous colleges.

(3) Documentation of student interest in the course.
(4) Alignment of the course with the future employment needs within the area served by the community college and the State.

SECTION 9.5.(b) The State Board of Community Colleges shall submit a report to the Joint Legislative Education Oversight Committee by November 1 of each year of the program on the implementation of the new high-cost workforce Tier 1A and Tier 1B courses, including at least the following information:

(1) The use of funds by community colleges participating in the grant program, including:
  a. Start-up costs to establish new courses.
  b. Costs associated with student instruction, including faculty salaries, instructional supplies, and related instructional equipment.
(2) Evaluation of the success of the community college courses, including:
  a. Student enrollment numbers.
  b. Student outcomes, including job attainment and placement data and completion of any certification, diploma, or associate degree programs.

CC BOARD OF TRUSTEES TRAINING

SECTION 9.6.(a) Article 2 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"**§ 115D-18.5. Training of board of trustees members.**

All members of a board of trustees shall participate in, within six months of appointment, an orientation session provided by the Community Colleges System Office. Members shall also participate in an education session provided by the System Office every two years thereafter while serving on the board of trustees. The System Office shall develop orientation and education session content in consultation with community college representatives, including community college presidents and members of boards of trustees. The State Board of Community Colleges shall adopt rules to implement this section."

SECTION 9.6.(b) G.S. 115D-19(b) reads as rewritten:

"(b) A board of trustees may declare vacant the office of a member who does not attend three consecutive, scheduled meetings without justifiable excuse. A board of trustees may also declare vacant the office of a member who, without justifiable excuse, does not participate ~~within six months of appointment in a trustee orientation and education session sponsored by the North Carolina Association of Community College Trustees.~~in the board of trustees training required pursuant to G.S. 115D-18.5. The board of trustees shall notify the appropriate appointing authority of any vacancy."

SECTION 9.6.(c) The Community Colleges System Office shall make the orientation session required by G.S. 115D-18.5, as enacted by this section, available no later than January 1, 2018. Members of boards of trustees appointed between the date this act becomes law and January 1, 2018, shall have until June 30, 2018, to participate in an orientation session. Members of boards of trustees who were appointed prior to the date this act becomes law shall participate in an initial education session pursuant to G.S. 115D-18.5 by December 31, 2018.

SECTION 9.6.(d) Subsection (b) of this section becomes effective January 1, 2019.

SELECTION OF LOCAL COMMUNITY COLLEGE PRESIDENTS/CONSULTANT CONTRACTS

SECTION 9.7.(a) G.S. 115D-20(1) reads as rewritten:

"(1) To elect a president or chief administrative officer of the institution for such term and under such conditions as the trustees may ~~fix, such~~ fix. If the board of trustees chooses to use a search consultant to assist with the election process, the board of trustees shall select the search consultant through a competitive request for proposals process. A contract with a search consultant pursuant to this subdivision shall not be subject to Article 3C of Chapter 143 of the General Statutes. The election ~~to~~ of a president or chief administrative officer shall be subject to the approval of the State Board of Community Colleges."

SECTION 9.7.(b) This section applies to consultant contracts entered into on or after the date this act becomes law.

CLARIFY YOUTH APPRENTICESHIP PROGRAM

SECTION 9.8.(a) G.S. 115D-5(b)(16) reads as rewritten:

"(16) Courses provided to students who are participating in ~~an~~ a pre-apprenticeship or apprenticeship program that meets all of the following criteria:

a. Meets one of the following:

1. Is a registered apprenticeship program recognized by the United States Department of Labor.

2. Is a pre-apprenticeship program recognized and approved by the State agency administering the statewide apprenticeship program.

b. Has a documented plan of study with courses relating to a job-specific occupational or technical skill.

c. Requires the participants in the program to be high school students when entering the program."

SECTION 9.8.(b) This section applies retroactively beginning with the 2016 fall academic term.

PART X. UNIVERSITIES

FULL-TIME STAFF FOR BOARD OF GOVERNORS/10 DAYS PRIOR NOTICE FOR VOTES ON BOARD OF GOVERNORS AGENDA ITEMS

SECTION 10.1.(a) Establish Full-Time Staff Positions. – The Board of Governors of The University of North Carolina may hire up to three full-time staff members who shall report directly to the Board of Governors. The Board of Governors shall determine the job titles, responsibilities, and salaries for staff members by December 31, 2017. Salaries for staff hired pursuant to this section shall be competitive with other positions of similar level and authority within The University of North Carolina System.

SECTION 10.1.(b) Prior Notice for Votes on Agenda Items. – In order to allow proper time to evaluate important items for consideration by the Board of Governors, votes will be allowed only on agenda items that Board of Governors members have had in their possession for at least 10 business days prior to the vote.

SECTION 10.1.(c) Funding for Staff Positions. – Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2017-2019 fiscal biennium, the sum of up to three hundred thousand dollars ($300,000) in recurring funds may be used by the Board of Governors each fiscal year of the biennium to support the staff positions for the Board of Governors created pursuant to this section.

SECTION 10.1.(d) Reporting Requirement. – The Board of Governors shall report to the Joint Legislative Education Oversight Committee no later than December 31, 2017,

regarding the staff positions authorized by this section. The report shall include the job titles, responsibilities, and salaries for staff members hired pursuant to this section.

ELIZABETH CITY STATE UNIVERSITY BUDGET STABILIZATION FUNDS REPORT

SECTION 10.2. The President of The University of North Carolina shall report each quarter of the 2017-2019 fiscal biennium to the Office of State Budget and Management and the Fiscal Research Division of the General Assembly on the status of budget stabilization funds appropriated to Elizabeth City State University by this act for the purpose of supporting temporary faculty, aviation science programs, and student success initiatives. The reports shall provide detailed descriptions of the scope of work that has been completed to date, anticipated activities for the next quarter, and a plan with time lines to complete the full scope of work. The reports shall also include outcomes achieved from improvements implemented using these funds. The first quarterly report required by this section shall be made no later than January 1, 2018.

INCREASE NUMBER OF MEDICAL STUDENT SLOTS

SECTION 10.3. Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2017-2018 fiscal year, a sum of at least three million dollars ($3,000,000) shall be used to increase the number of available medical student slots at the School of Medicine.

EXTEND CHALLENGE GRANT FOR COLLABORATORY AT UNC-CHAPEL HILL

SECTION 10.4.(a) Section 27.5 of S.L. 2016-94 reads as rewritten:

"**SECTION 27.5.** Of the funds appropriated in this act to the Office of State Budget and Management, Special Appropriations, up to the sum of three million five hundred thousand dollars ($3,500,000) in nonrecurring funds for the 2016-2017 fiscal year shall be allocated to the Board of Trustees of the University of North Carolina at Chapel Hill for operation of the North Carolina Policy Collaboratory. Allocations made pursuant to this section shall be matched by the Board of Trustees on the basis of one dollar ($1.00) in allocated funds for every one dollar ($1.00) in non-State funds that the Board of Trustees raises by June 30, ~~2017,~~ 2018, for the purposes of operating the Collaboratory. These funds shall be in addition to any other funds appropriated in this act for the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill. These funds shall not revert but shall continue to be available as matching funds as provided by this section."

SECTION 10.4.(b) This section becomes effective June 30, 2017.

WESTERN SCHOOL OF ENGINEERING AND TECHNOLOGY FUNDS

SECTION 10.5.(a) Funds appropriated for project management and curriculum development at the Western School of Engineering and Technology which was funded in the Connect NC Bond for the 2016-2017 fiscal year shall not revert and shall remain available for the 2017-2019 fiscal biennium for the purpose of project management and curriculum development.

SECTION 10.5.(b) This section becomes effective June 30, 2017.

ENHANCE UNC DATA SYSTEMS TO IMPROVE INSTITUTIONAL PERFORMANCE AND STUDENT SUCCESS

SECTION 10.6.(a) The Board of Governors of The University of North Carolina shall use funds appropriated by this act to modernize business processes, increase standardization, and maximize State resources. The investment will enable better financial management of The University of North Carolina and should yield, at a minimum, but not

limited to, cost-per-unit analysis, predictive modeling, and more timely access to actionable information. Funds shall also be used to enhance data systems for the following purposes: integrating financial, human resource, and student account systems across The University of North Carolina System; developing new data collections systems that track faculty and staff retention rates and post-graduation student outcomes; expanding "Know Before You Go" data reporting; and implementing a Web-based student advising tool as part of a pilot program to be known as "Finish in Four."

SECTION 10.6.(b) The President of The University of North Carolina shall report on implementation of this section to the Joint Legislative Education Oversight Committee on or before March 1 of each fiscal year of the 2017-2019 fiscal biennium. The report shall identify specific improvements to data access, analytics, and transparency available to the public and legislative and executive branch decision-makers resulting from this project.

UNC/ESCHEATS FUND FOR STUDENT FINANCIAL AID PROGRAMS

SECTION 10.7.(a) The funds appropriated by this act from the Escheat Fund for the 2017-2019 fiscal biennium for student financial aid shall be allocated in accordance with G.S. 116B-7. Notwithstanding any other provision of Chapter 116B of the General Statutes, if the interest income generated from the Escheat Fund is less than the amounts referenced in this act, the difference may be taken from the Escheat Fund principal to reach the appropriations referenced in this act; however, under no circumstances shall the Escheat Fund principal be reduced below the sum required in G.S. 116B-6(f). If any funds appropriated from the Escheat Fund by this act for student financial aid remain uncommitted aid as of the end of a fiscal year, the funds shall be returned to the Escheat Fund, but only to the extent the funds exceed the amount of the Escheat Fund income for that fiscal year.

SECTION 10.7.(b) The State Education Assistance Authority (SEAA) shall conduct periodic evaluations of expenditures of the student financial aid programs administered by SEAA to determine if allocations are utilized to ensure access to institutions of higher learning and to meet the goals of the respective programs. The SEAA may make recommendations for redistribution of funds to the President of The University of North Carolina and the President of the Community College System regarding their respective student financial aid programs, who then may authorize redistribution of unutilized funds for a particular fiscal year.

UNC MANAGEMENT FLEXIBILITY REDUCTION

SECTION 10.8.(a) The management flexibility reduction for The University of North Carolina shall not be allocated by the Board of Governors to the constituent institutions and affiliated entities using an across-the-board method but shall be done in a manner that recognizes the importance of the academic missions and differences among The University of North Carolina entities.

Before taking reductions in instructional budgets, the Board of Governors and the campuses of the constituent institutions shall consider all of the following:

(1) Reducing State funding for centers and institutes, speaker series, and other nonacademic activities.
(2) Faculty workload adjustments.
(3) Restructuring of research activities.
(4) Implementing cost-saving span of control measures.
(5) Reducing the number of senior and middle management positions.
(6) Eliminating low-performing, redundant, or low-enrollment programs.
(7) Using alternative funding sources.
(8) Protecting direct classroom services.

The Board of Governors and the campuses of the constituent institutions also shall review the institutional trust funds and the special funds held by or on behalf of The University of North Carolina and its constituent institutions to determine whether there are monies available in those funds that can be used to assist with operating costs. In addition, the campuses of the constituent institutions also shall require their faculty to have a teaching workload equal to the national average in their Carnegie classification.

SECTION 10.8.(b) In allocating the management flexibility reduction, no reduction in State funds shall be allocated in either fiscal year of the 2017-2019 fiscal biennium to any of the following:

(1) UNC Need-Based Financial Aid.
(2) North Carolina Need-Based Scholarship.
(3) Elizabeth City State University.
(4) Fayetteville State University.
(5) NC School of Science and Mathematics.
(6) University of North Carolina at Wilmington.
(7) University of North Carolina School of the Arts.
(8) State funds allocated to NC State University for support to the Agriculture Education/Future Farmers of America Program.
(9) Special Education Scholarships for Children with Disabilities.
(10) University of North Carolina laboratory schools.
(11) North Carolina Personal Education Savings Accounts Program.
(12) Teaching Fellows Program.
(13) Opportunity Scholarship Program.
(14) Future Teachers of North Carolina.
(15) North Carolina Policy Collaboratory.
(16) NCSU Cooperative Extension.
(17) NCSU Agricultural Research.

SECTION 10.8.(c) The University of North Carolina shall report on the implementation of the management flexibility reduction in subsection (a) of this section for the 2017-2018 fiscal year to the Office of State Budget and Management and the Fiscal Research Division no later than April 1, 2018, and shall report on the implementation of the management flexibility reduction in subsection (a) of this section for the 2018-2019 fiscal year to the Office of State Budget and Management and the Fiscal Research Division no later than April 1, 2019.

The reports shall identify both of the following by campus:

(1) The total number of positions eliminated by type (faculty/nonfaculty).
(2) The low-performing, redundant, and low-enrollment programs that were eliminated.

FUTURE TEACHERS OF NORTH CAROLINA

SECTION 10.9.(a) Article 1 of Chapter 116 of the General Statutes is amended by adding a new Part to read:

"Part 4B. Future Teachers of North Carolina.

"**§ 116-41.30. Establishment of Future Teachers of North Carolina.**

(a) Purpose. – Future Teachers of North Carolina, hereinafter FTNC, is established to encourage high-achieving high school students with strong academic, interpersonal, and leadership skills to consider teaching as a career.

(b) Program. – FTNC shall be a program providing professional development and curricula for courses that provide a challenging introduction to teaching as a profession for high school students through courses offered by participating high schools in conjunction with college partners. FTNC courses shall include both content on pedagogy and the profession of teaching and field experiences for high school students.

"**§ 116-41.31. Oversight of Future Teachers of North Carolina.**

(a) FTNC General Administration. – FTNC shall be administratively located in The University of North Carolina General Administration. The President shall select three constituent institutions with highly successful schools of education located in the western, central, and eastern regions of the State, respectively, to collaborate on development of curricula for FTNC and to provide professional development to high school teachers who will teach FTNC courses. The three constituent institutions shall also work with other constituent institutions and other institutions of higher education in the State to seek input in the development of curricula and professional development for FTNC and to create a network of college faculty to provide support to high schools offering FTNC courses.

(b) FTNC Site Applications. – All high schools in the State are encouraged to offer FTNC courses to students. A high school shall apply to offer FTNC courses with the geographically appropriate constituent institution overseeing FTNC and shall ensure that all teachers teaching FTNC courses have received appropriate training. High schools shall also seek a partner institution of higher education to provide support from college faculty. High schools participating in the FTNC program shall report demographic, survey, and other available outcome data to The University of North Carolina General Administration as necessary for completion of the FTNC annual report required by G.S. 116-41.32.

(c) FTNC Institution of Higher Education Partners. – Constituent institutions that partner with high schools shall offer dual credit for high school students who successfully complete the FTNC course with a grade of "B" or higher. Other institutions of higher education that partner with high schools are encouraged to offer dual credit for high school students who successfully complete the FTNC course with a grade of "B" or higher. Constituent institutions shall provide annually to The University of North Carolina General Administration data on students who have received dual credit for completion of an FTNC course and students who applied for admission into an educator preparation program at a constituent institution who indicated in the application for admission that the student completed an FTNC course. Other institutions of higher education are encouraged to provide annually to The University of North Carolina General Administration data on students who have received dual credit for completion of an FTNC course and students who applied for admission into an educator preparation program at the institution of higher education who indicated in the application for admission that the student completed an FTNC course.

"**§ 116-41.32. Future Teachers of North Carolina reporting.**

The University of North Carolina General Administration shall report annually, beginning October 15, 2019, on the following:

(1) Total number and names of local school administrative units with high schools participating in FTNC, total number and names of high schools offering FTNC, partner institution of higher education for each high school, and number of sections of the course being offered at each high school.

(2) Demographic information of students enrolled in FTNC courses.

(3) Percentage of students who, after completing the course, reported the following:

a. The student plans to choose teaching as a profession.

b. The course was very or somewhat effective in helping the student formulate a positive perception of the education profession.

c. The coursework and activities increased the student's knowledge of the teaching profession and other careers in education.

d. The field experience helped the student understand the many factors that contribute to effective teaching.

(4) Percentage of students who completed an FTNC course who received dual credit for successful completion of the course, by institution.

(5) Percentage of students who completed an FTNC course who applied for admission into an educator preparation program, by institution.

(6) Number of teachers provided professional development for FTNC."

SECTION 10.9.(b) The University of North Carolina General Administration shall report by October 15, 2018, on the number of site applications received, number of teachers provided professional development, number of local school administrative units and high schools offering FTNC, and number of sections of the course being offered for the 2018-2019 school year.

SECTION 10.9.(c) This section becomes effective July 1, 2017. The selected constituent institutions shall make available site applications and provide professional development to high school teachers no later than February 1, 2018.

UNC ENROLLMENT FUNDING/OSBM RESERVE ACCOUNT

SECTION 10.10. Funds appropriated by this act for enrollment adjustments, including funds for the NC Promise Tuition Plan, shall be certified to a reserve account in the Office of State Budget and Management. The appropriation is made on an annual basis and shall be held in reserve until actual enrollment can be verified following the fall semester census. Funds for the spring semester shall be allocated using the actual enrollment from the fall semester and applying the three-year average fall-to-spring retention of fundable credit hours. After verification, the Board of Governors, subject to the approval of the Director of the Budget, shall allocate the funds for the fiscal year to the constituent institutions based on the criteria set out in this section.

Upon authorization by the Director of the Budget, funds may be advanced to constituent institutions whose tuition receipts are insufficient to maintain operations until enrollment is verified. Any institutions receiving funds in advance shall report to the Office of State Budget and Management at the close of the semester to reconcile any differences between funding received for enrollment and actual enrollment. An allocation made pursuant to this section may result in an allocation to a constituent institution that is greater than or less than the amount originally requested for enrollment change funding at that institution. Pursuant to G.S. 116-11(9)d., the Director of the Budget may, on recommendation of the Board, authorize transfer of appropriated funds from one institution to another to provide additional adjustments for over or under enrollment or may make any other adjustments among institutions that would provide for the orderly and efficient operation of institutions.

IN-STATE TUITION FOR VETERANS/COMPLIANCE WITH FEDERAL LAW

SECTION 10.11. G.S. 116-143.3A reads as rewritten:

"**§ 116-143.3A. Waiver of 12-month residency requirement for certain veterans and other individuals entitled to federal education benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33.**

(a) Definitions. – The following definitions apply in this section:

(1) Abode. – Has the same meaning as G.S. 116-143.3(a)(1).

(2) Armed Forces. – Has the same meaning as G.S. 116-143.3(a)(2).

(3) Veteran. – A person who served active duty for not less than 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration and who was discharged or released from such service.

(b) Waiver of 12-Month Residency Requirement for Veteran. – Any veteran who qualifies for admission to an institution of higher education as defined in G.S. 116-143.1(a)(3) is eligible to be charged the in-State tuition rate and applicable mandatory fees for enrollment without satisfying the 12-month residency requirement under G.S. 116-143.1, provided the veteran meets all of the following criteria:

(1) The veteran applies for admission to the institution of higher education and enrolls within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.
(2) The veteran qualifies for and uses educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.
(3) The veteran's abode is North Carolina.
(4) The veteran provides the institution of higher education at which the veteran intends to enroll a letter of intent to establish residence in North Carolina.

(c) Eligibility of Other Individuals Entitled to Federal Educational Benefits Under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33. – Any person who is entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 is also eligible to be charged the in-State tuition rate and applicable mandatory fees for enrollment without satisfying the 12-month residency requirement under G.S. 116-143.1, if the person meets all of the following criteria:

(1) The person qualifies for admission to the institution of higher education as defined in G.S. 116-143.1(a)(3) ~~and~~ and, with the exception of individuals described in subsections (c1) and (c2) of this section, enrolls in the institution of higher education within three years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.
(2) The person is the recipient of federal educational benefits pursuant to 38 U.S.C. Chapter 30 (Montgomery G.I. Bill Active Duty Education Assistance Program) or 38 U.S.C. Chapter 33 (Post-9/11 Educational Assistance), as administered by the U.S. Department of Veterans Affairs.
(3) The person's abode is North Carolina.
(4) The person provides the institution of higher education at which the person intends to enroll a letter of intent to establish residence in North Carolina.

(c1) Recipients using transferred Post-9/11 GI Bill benefits (38 U.S.C. § 3319) while the transferor is on active duty in the Armed Forces, the commissioned corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration are eligible for the in-State tuition rate, provided the recipient's abode is in North Carolina and the recipient provides the institution of higher education a letter of intent to establish residency in North Carolina.

(c2) Recipients of the Marine Gunnery Sergeant John David Fry Scholarship (38 U.S.C. § 3311(b)(9)), whose parent or spouse died in the line of duty, without regard as to whether the death in the line of duty followed a period of active duty service of 90 days or more, are eligible to receive in-State tuition under this section, provided the recipient's abode is in North Carolina and the recipient provides the institution of higher education a letter of intent to establish residency in North Carolina.

(d) After the expiration of the three-year period following discharge ~~or death~~ as described in 38 U.S.C. § 3679(c), any enrolled veteran entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 and any other enrolled individual described in subsection (c) of this section entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 who is eligible for in-State tuition under this section shall continue to be eligible for the in-State tuition rate so long as the covered individual remains continuously enrolled (other than during regularly scheduled breaks between courses, quarters, terms, or semesters) at that institution of higher education."

SENIOR CITIZENS MAY AUDIT COURSES AT UNC AND COMMUNITY COLLEGES

SECTION 10.12.(a) Chapter 115B of the General Statutes is amended by adding a new section to read:

"**§ 115B-2B. Senior citizens may audit classes.**

Any person who is at least 65 years old may audit courses offered at the constituent institutions of The University of North Carolina and the Community Colleges as defined in G.S. 115D-2(2) without payment of any required registration or enrollment fee for the audit provided the audit is approved by the instructor of the class and there is no cost to the State. A person shall be allowed to audit a class under this section only on a space available basis. Persons auditing classes under this section shall not be counted in the computation of enrollment for funding purposes."

SECTION 10.12.(b) G.S. 115B-4 reads as rewritten:

"**§ 115B-4. Enrollment computation for funding purposes.**

~~Persons~~ Except as provided in G.S. 115B-2B, persons attending classes under the provisions of this Chapter, without payment of tuition, shall be counted in the computation of enrollment for funding purposes."

SECTION 10.12.(c) This section becomes effective July 1, 2017, and applies beginning with the 2017 Fall academic semester.

STUDY/UNC EQUAL OPPORTUNITY COMPLIANCE OFFICERS

SECTION 10.13.(a) The Board of Governors of The University of North Carolina shall study the equal opportunity policies, which include the policies related to diversity and nondiscrimination, adopted by each constituent institution, the implementation of those policies on each campus, and the services provided on each campus. In conducting the study, the Board of Governors shall review and evaluate the equal opportunity policies with a particular focus on transparency and effectiveness of the policies.

As part of the study, the Board of Governors shall direct each constituent institution to identify all staff positions on campus that include as part of the job duties any responsibility for the implementation, administration, or enforcement of policies intended to promote equal opportunity, diversity, or inclusiveness; indicate how those staff positions and the services offered through those positions fit within the organizational structure of the constituent institution; and indicate the direct and indirect costs related to those staff positions and services provided by those staff positions. This information shall include the number of part-time and full-time employees in these staff positions by each individual campus, descriptions of job duties of each of these employees, and the total costs of the positions.

The study shall also consider the feasibility of developing equal opportunity plans at each constituent institution that consolidate all equal opportunity services offered at each constituent institution into a single office headed by an equal employment officer designated by the Chancellor in order to promote effectiveness and efficiency.

SECTION 10.13.(b) The Board of Governors of The University of North Carolina shall submit a report that includes its findings, recommendations, and policy changes to the Joint Legislative Education Oversight Committee by January 1, 2018. The Board of Governors shall approve the report prior to the submission to the Joint Legislative Education Oversight Committee.

BOARD OF GOVERNORS STUDY/ESTABLISH SCHOOL OF ALLIED HEALTH SCIENCES AND HEALTH CARE AT UNC-PEMBROKE

SECTION 10.14.(a) The Board of Governors of The University of North Carolina shall study the feasibility of establishing a School of Allied Health Sciences and Health Care at

the University of North Carolina at Pembroke. In its study the Board of Governors shall consider the health care needs of the region and what allied health science and health care programs would best serve the region and meet its health care needs. The Board of Governors shall also consider the costs and financial benefits of establishing a School of Allied Health Sciences and Health Care.

The Board of Governors shall submit a report on the study, including its findings and recommendations, by May 1, 2018, to the members of the Senate and the House of Representatives, by filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library.

SECTION 10.14.(b) Of the funds appropriated by this act to the Board of Governors of The University of North Carolina for the 2017-2018 fiscal year, the Board may use up to one hundred thousand dollars ($100,000) to cover the costs of the study required by this section.

UNC TO FUND NORTH CAROLINA RESEARCH CAMPUS

SECTION 10.15. Of the funds appropriated by this act to the Board of Governors of The University of North Carolina, the Board of Governors shall use twenty-nine million dollars ($29,000,000) for the 2017-2018 fiscal year and twenty-nine million dollars ($29,000,000) for the 2018-2019 fiscal year to support UNC-related activities at the North Carolina Research Campus at Kannapolis.

SUBPART X-A. UNIVERSITY/STATE EDUCATION ASSISTANCE AUTHORITY

SOFTWARE FOR ADMINISTRATION OF THE OPPORTUNITY SCHOLARSHIP AND SPECIAL EDUCATION SCHOLARSHIP PROGRAMS

SECTION 10A.1.(a) The North Carolina State Education Assistance Authority (Authority) shall purchase software necessary to support the administration of the Opportunity Scholarship Grant Program and the Special Education Scholarships for Children with Disabilities Program. The funds appropriated by this act for this purpose may also be used for customization of the software, development of interfaces with other internal systems, conversion of data, and training for staff on the new software system.

SECTION 10A.1.(b) The Authority shall report by October 1 of each year, beginning October 1, 2017, and ending October 1, 2019, to the Fiscal Research Division and the Joint Legislative Education Oversight Committee on the acquisition of software for administration of the program and all aspects of implementation of the software system and the expenditure of funds.

ELIMINATE SCHOOL SITE SCHOLARSHIP ENDORSEMENT REQUIREMENT

SECTION 10A.2.(a) G.S. 115C-112.6(b1)(1)a. reads as rewritten:

"a. Scholarship endorsement for tuition. – The Authority shall remit, at least two times each school year, scholarship funds awarded to eligible students for endorsement by at least one of the student's parents or guardians for tuition to attend a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter as identified by the Department of Administration, Division of Nonpublic Education, is deemed eligible by the Division, and is subject to the requirements of G.S. 115C-562.5. The parent or guardian shall restrictively endorse the scholarship funds awarded to the eligible student ~~to the school~~ for deposit into the account of the ~~school.~~nonpublic school to the credit of the eligible student. The

parent or guardian shall not designate any entity or individual associated with the school as the parent's attorney-in-fact to endorse the scholarship ~~funds but shall endorse the scholarship funds in person at the site of the school.~~funds. A parent's or guardian's failure to comply with this section shall result in forfeiture of the scholarship funds. A scholarship forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student."

SECTION 10A.2.(b) G.S. 115C-562.6 reads as rewritten:

"**§ 115C-562.6. Scholarship endorsement.**

The Authority shall remit, at least two times each school year, scholarship grant funds awarded to eligible students to the nonpublic school for endorsement by at least one of the student's parents or guardians. The parent or guardian shall restrictively endorse the scholarship grant funds awarded to the eligible student ~~to the nonpublic school~~ for deposit into the account of the nonpublic ~~school.~~school to the credit of the eligible student. The parent or guardian shall not designate any entity or individual associated with the nonpublic school as the parent's attorney-in-fact to endorse the scholarship grant ~~funds but shall endorse the scholarship grant funds in person at the site of the nonpublic school.~~funds. A parent's or guardian's failure to comply with this section shall result in forfeit of the scholarship grant. A scholarship grant forfeited for failure to comply with this section shall be returned to the Authority to be awarded to another student."

SECTION 10A.2.(c) This section applies to scholarship funds awarded beginning with the 2017-2018 school year.

NORTH CAROLINA TEACHING FELLOWS

SECTION 10A.3.(a) Article 23 of Chapter 116 of the General Statutes is amended by adding a new Part to read:

"Part 3. North Carolina Teaching Fellows Program.

"**§ 116-209.60. Definitions.**

The following definitions apply in this Part:

(1) Commission. – The North Carolina Teaching Fellows Commission.

(2) Director. – The Director of the North Carolina Teaching Fellows Program.

(3) Forgivable loan. – A forgivable loan made under the Program.

(4) Program. – The North Carolina Teaching Fellows Program.

(5) Public school. – An elementary or secondary school located in North Carolina that is governed by a local board of education, charter school board of directors, regional school board of directors, or University of North Carolina laboratory school board of trustees.

(6) STEM. – Science, technology, engineering, and mathematics.

(7) Trust Fund. – The North Carolina Teaching Fellows Program Trust Fund.

"**§ 116-209.61. North Carolina Teaching Fellows Commission established; membership.**

(a) Commission Established. – There is established the North Carolina Teaching Fellows Commission. The Commission shall determine program and forgivable loan recipient selection criteria and selection procedures and shall select the recipients to receive forgivable loans under the North Carolina Teaching Fellows Program in accordance with the requirements of this Part. The Director of the North Carolina Teaching Fellows Program shall appoint staff to the Commission.

(b) Membership. – The Commission shall consist of 14 members who shall be appointed or serve as ex officio members as follows:

(1) The Board of Governors of The University of North Carolina shall appoint seven members to the Commission as follows:

a. Two deans of approved schools of education at postsecondary constituent institutions of The University of North Carolina.
b. The president of a North Carolina community college.
c. A teacher who graduated from an approved educator preparation program located in the State within three years of appointment to serve on the Commission.
d. A principal who graduated from an approved educator preparation program located in the State.
e. A local board of education member.
f. A member to represent business and industry in North Carolina.

(2) The General Assembly shall appoint two members to the Commission in accordance with G.S. 120-121 as follows:
a. One dean of an approved school of education at a private postsecondary institution operating in the State upon the recommendation of the Speaker of the House of Representatives.
b. One dean of an approved school of education at a private postsecondary institution operating in the State upon the recommendation of the President Pro Tempore of the Senate.

(3) The following five members shall serve as ex officio members to the Commission:
a. The North Carolina Teacher of the Year.
b. The North Carolina Principal of the Year.
c. The North Carolina Superintendent of the Year.
d. The chair of the Board of the State Education Assistance Authority.
e. The Director of the North Carolina Teaching Fellows Program.

(c) Terms of Office. – Appointments to the Commission shall be for two-year terms, expiring on July 1 in odd-numbered years. Members serving ex officio, other than the chair of the Board of the State Education Assistance Authority and Director of the North Carolina Teaching Fellows Program, who have otherwise completed their term of service, shall continue to serve on the Commission until July 1, annually.

(d) Vacancies. – Except as otherwise provided, if a vacancy occurs in the membership of the Commission, the appointing authority shall appoint another person meeting the same qualifications to serve for the balance of the unexpired term.

(e) Chair; Meetings. – The Director of the Program shall call the first meeting of the Commission. The Commission members shall elect a chair and a vice-chair from the membership of the Commission to serve one-year terms. The Commission shall meet regularly at times and places deemed necessary by the chair or, in the absence of the chair, by the vice-chair.

(f) Conflict of Interest. – A member of the Commission shall abstain from voting on the selection of an educator preparation program of a postsecondary constituent institution of The University of North Carolina or a private postsecondary institution operating in the State under G.S. 116-209.62(f) if the member is an officer or employee of the institution or sits as a member of the institution's board of directors.

(g) Expenses. – Commission members shall receive per diem, subsistence, and travel allowances in accordance with G.S. 138-5 or G.S. 138-6, as appropriate.

"**§ 116-209.62. North Carolina Teaching Fellows Program established; administration.**

(a) Program. – There is established the North Carolina Teaching Fellows Program to be administered by the General Administration of The University of North Carolina, in conjunction with the Authority and the Commission. The purpose of the Program is to recruit, prepare, and support students residing in or attending institutions of higher education located in North Carolina for preparation as highly effective STEM or special education teachers in the

State's public schools. The Program shall be used to provide a forgivable loan to individuals interested in preparing to teach in the public schools of the State in STEM or special education licensure areas.

(b) Trust Fund. – There is established the North Carolina Teaching Fellows Program Trust Fund to be administered by the Authority, in conjunction with the General Administration of The University of North Carolina. All funds (i) appropriated to, or otherwise received by, the Program for forgivable loans, (ii) received as repayment of forgivable loans, and (iii) earned as interest on these funds shall be placed in the Trust Fund. The purpose of the Trust Fund is to provide financial assistance to qualified students for completion of teacher education and licensure programs to fill STEM or special education licensure areas in the public schools of the State.

(c) Uses of Monies in the Trust Fund. – The monies in the Trust Fund may be used only for (i) forgivable loans granted under the Program, (ii) administrative costs associated with the Program, including recruitment and recovery of funds advanced under the Program, and (iii) extracurricular enhancement activities of the Program. The Authority may use up to six hundred thousand dollars ($600,000) from the Trust Fund in each fiscal year for its administrative costs, the salary of the Director of the Program, expenses of the Commission, and to provide the Commission with funds to use for the extracurricular enhancement activities of the Program.

(d) Director of the Program. – The Board of Governors of The University of North Carolina shall appoint a Director of the Program. The Director shall appoint staff to the Commission and shall be responsible for recruitment and coordination of the Program, including proactive, aggressive, and strategic recruitment of potential recipients. Recruitment activities shall include (i) targeting regions of the State with the highest teacher attrition rates and teacher recruitment challenges, (ii) actively engaging with educators, business leaders, experts in human resources, elected officials, and other community leaders throughout the State, and (iii) attracting candidates in STEM and special education licensure areas to the Program. The Director shall report to the President of The University of North Carolina. The Authority shall provide office space and clerical support staff, as necessary, to the Director for the Program.

(e) Student Selection Criteria for Forgivable Loans. – The Commission shall adopt stringent standards for awarding forgivable loans based on multiple measures to ensure that only the strongest applicants receive them, including the following:

(1) Grade point averages.

(2) Performance on relevant career and college readiness assessments.

(3) Experience, accomplishments, and other criteria demonstrating qualities positively correlated with highly effective teachers, including excellent verbal and communication skills.

(4) Demonstrated commitment to serve in a STEM or special education licensure area in North Carolina public schools.

(f) Program Selection Criteria. – The Authority shall administer the Program in cooperation with five institutions of higher education with approved educator preparation programs selected by the Commission that represent both postsecondary constituent institutions of The University of North Carolina and private postsecondary institutions operating in the State. The Commission shall adopt stringent standards for selection of the most effective educator preparation programs, including the following:

(1) Demonstrates high rates of educator effectiveness on value-added models and teacher evaluations, including using performance-based, subject-specific assessment and support systems, such as edTPA or other metrics of evaluating candidate effectiveness that have predictive validity.

(2) Demonstrates measurable impact of prior graduates on student learning, including impact of graduates teaching in STEM or special education licensure areas.

(3) Demonstrates high rates of graduates passing exams required for teacher licensure.

(4) Provides curricular and co-curricular enhancements in leadership, facilitates learning for diverse learners, and promotes community engagement, classroom management, and reflection and assessment.

(5) Requires at least a minor concentration of study in the subject area that the candidate may teach.

(6) Provides early and frequent internship or practical experiences, including the opportunity for participants to perform practicums in diverse school environments.

(7) Is approved by the State Board of Education as an educator preparation program.

(g) Awards of Forgivable Loans. – The Program shall provide forgivable loans to selected students to be used at the five selected institutions for completion of a program leading to teacher licensure as follows:

(1) North Carolina high school seniors. – Forgivable loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to four years.

(2) Students applying for transfer to a selected educator preparation program at an institution of higher education. – Forgivable loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to three years.

(3) Individuals currently holding a bachelor's degree seeking preparation for teacher licensure. – Forgivable loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to two years.

(4) Students matriculating at institutions of higher education who are changing to enrollment in a selected educator preparation program. – Forgivable loans of up to eight thousand two hundred fifty dollars ($8,250) per year for up to two years.

Forgivable loans may be used for tuition, fees, and the cost of books.

(h) Identification of STEM and Special Education Licensure Areas. – The Superintendent of Public Instruction shall identify and provide to the Commission and the Authority a list of STEM and special education licensure areas and shall annually provide to the Commission the number of available positions in each licensure area relative to the number of current and anticipated teachers in that area of licensure. The Commission shall make the list of STEM and special education licensure areas readily available to applicants.

(i) Administration of Forgivable Loan Awards. – Upon the naming of recipients of the forgivable loans by the Commission, the Commission shall transfer to the Authority its decisions. The Authority, in coordination with the Director, shall perform all of the administrative functions necessary to implement this Part, which functions shall include rule making, disseminating information, acting as a liaison with participating institutions of higher education, implementing forgivable loan agreements, loan monitoring, loan cancelling through service and collection, determining the acceptability of service repayment agreements, enforcing the agreements, and all other functions necessary for the execution, payment, and enforcement of promissory notes required under this Part.

(j) Annual Report. – The Commission, in coordination with the Authority, shall report no later than January 1, 2019, and annually thereafter, to the Joint Legislative Education Oversight Committee regarding the following:

(1) Forgivable loans awarded from the Trust Fund, including the following:

a. Demographic information regarding recipients.

b. Number of recipients by institution of higher education and program.
c. Information on number of recipients by anticipated STEM and special education licensure area.

(2) Placement and repayment rates, including the following:
a. Number of graduates who have been employed in a STEM or special education licensure area within two years of program completion.
b. Number of graduates who accepted employment at a low-performing school identified under G.S. 115C-105.37 as part of their years of service.
c. Number of graduates who have elected to do loan repayment and their years of service, if any, prior to beginning loan repayment.
d. Number of graduates employed in a STEM or special education licensure area who have received an overall rating of at least accomplished and have met expected growth on applicable standards of the teacher evaluation instrument.
e. Aggregate information on student growth and proficiency in courses taught by graduates who have fulfilled service requirements through employment in a STEM or special education licensure area.

(3) Selected school outcomes by program, including the following:
a. Turnover rate for forgivable loan graduates.
b. Aggregate information on student growth and proficiency as provided annually by the State Board of Education to the Commission in courses taught by forgivable loan graduates.
c. Fulfillment rate of forgivable loan graduates.

"**§ 116-209.63. Terms of forgivable loans; receipt and disbursement of funds.**

(a) Notes. – All forgivable loans shall be evidenced by notes made payable to the Authority that bear interest at a rate not to exceed ten percent (10%) per year as set by the Authority and beginning on the first day of September after the completion of the program leading to teacher licensure or 90 days after termination of the forgivable loan, whichever is earlier. The forgivable loan may be terminated upon the recipient's withdrawal from school or by the recipient's failure to meet the standards set by the Commission.

(b) Forgiveness. – The Authority shall forgive the loan and any interest accrued on the loan if, within 10 years after graduation from a program leading to teacher licensure, exclusive of any authorized deferment for extenuating circumstances, the recipient serves as a teacher in a STEM or special education licensure area, as provided in G.S. 116-209.62(h), for every year the teacher was awarded the forgivable loan, in any combination of the following:

(1) One year at a North Carolina public school identified as low-performing under G.S. 115C-105.37 at the time the teacher accepts employment at the school or, if the teacher changes employment during this period, at another school identified as low-performing.
(2) Two years at a North Carolina public school not identified as low-performing under G.S. 115C-105.37.

The Authority shall also forgive the loan if it finds that it is impossible for the recipient to work for up to eight years, within 10 years after completion of the program leading to teacher licensure, at a North Carolina public school because of the death or permanent disability of the recipient. If the recipient repays the forgivable loan by cash payments, all indebtedness shall be repaid within 10 years after completion of the program leading to teacher licensure supported by the forgivable loan. If the recipient completes a program leading to teacher licensure, payment of principal and interest shall begin no later than the first day of September after the completion of the program. Should a recipient present extenuating circumstances, the Authority may extend the period to repay the loan in cash to no more than a total of 12 years."

SECTION 10A.3.(b) Initial appointments to the North Carolina Teaching Fellows Commission shall be made no later than August 15, 2017. Initial appointments to the Commission shall expire July 1, 2019.

SECTION 10A.3.(c) The Commission shall establish initial selection criteria for recipients and select the five institutions of higher education with approved educator preparation programs at which a recipient may use a forgivable loan no later than November 15, 2017, and shall make available applications to prospective students no later than December 31, 2017.

SECTION 10A.3.(d) The Superintendent of Public Instruction shall establish the list of STEM and special education licensure areas and provide that information to the Commission and Authority no later than October 1, 2017.

SECTION 10A.3.(e) The Commission shall select recipients and award the initial forgivable loans for the 2018-2019 academic year no later than April 1, 2018.

SECTION 10A.3.(f) G.S. 115C-472.16(b) reads as rewritten:

"(b) The General Assembly shall only appropriate moneys in the North Carolina Education Endowment Fund for ~~teacher compensation that is related directly to improving student academic outcomes in the public schools of the State.~~the forgivable loans for the North Carolina Teaching Fellows Program and administration of the North Carolina Teaching Fellows Program under Part 3 of Article 23 of Chapter 116 of the General Statutes."

SECTION 10A.3.(g) G.S. 116-209.27(a) reads as rewritten:

"(a) The Authority shall, as of March 1, 2015, administer all outstanding scholarship loans previously awarded by the former North Carolina Teaching Fellows Commission and subject to repayment under the former Teaching Fellows ~~Program.~~Program administered pursuant to Part 2 of Article 24C of Chapter 115C of the General Statutes."

SECTION 10A.3.(h) For the 2017-2018 fiscal year, the Department of Public Instruction shall transfer the sum of four hundred fifty thousand dollars ($450,000) in nonrecurring funds from the North Carolina Education Endowment Fund to the Board of Governors of The University of North Carolina to allocate to the Authority to be used to implement the North Carolina Teaching Fellows Program (Program), as established by this section. Beginning with the 2018-2019 fiscal year, the Department of Public Instruction shall transfer the sum of six million dollars ($6,000,000) in recurring funds from the North Carolina Education Endowment Fund to the Board of Governors to be allocated to the Authority for the operation of the Program and for the award of forgivable loans to selected recipients beginning with the 2018-2019 academic year.

PERSONAL EDUCATION SAVINGS ACCOUNT PROGRAM

SECTION 10A.4.(a) Chapter 115C of the General Statutes is amended by adding a new Article to read:

"Article 39A.

"Personal Education Savings Accounts.

"**§ 115C-567.5. North Carolina Personal Education Savings Account Program established.**

There is established the North Carolina Personal Education Savings Accounts Program to provide the option for a parent to better meet the individual educational needs of the parent's child.

"**§ 115C-567.6. Definitions.**

The following definitions apply in this Article:

(1) Authority. – The North Carolina State Education Assistance Authority.

(2) Division. – The Division of Nonpublic Education, Department of Administration.

(3) Eligible student. – A student residing in North Carolina who has not yet received a high school diploma and who meets all of the following requirements:

a. Meets one of the following criteria:

1. Was a full-time student (i) assigned to and attending a public school pursuant to G.S. 115C-366 or (ii) enrolled in a Department of Defense Elementary and Secondary School, established pursuant to 10 U.S.C. § 2164 and located in North Carolina, during the previous semester.

2. Received scholarship funds for a personal education savings account during the previous school year.

3. Is entering either kindergarten or the first grade.

4. Is a child in foster care, as defined in G.S. 131D-10.2(9).

5. Is a child whose adoption decree was entered not more than one year prior to submission of the scholarship application.

6. Is a child whose parent or legal guardian is on full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. § 12301, et seq., and 10 U.S.C. § 12401, et seq.

7. Is a child enrolled part-time in a public school and part-time in a nonpublic school that exclusively provides services for children with disabilities.

b. Has not enrolled in a postsecondary institution in a matriculated status eligible for enrollment for 12 hours of academic credit.

c. Is a child with a disability, as defined in G.S. 115C-106.3(1), including, for example, intellectual disability, hearing impairment, speech or language impairment, visual impairment, serious emotional disturbance, orthopedic impairment, autism, traumatic brain injury, other health impairments, specific learning disability, or disability as may be required to be included under IDEA.

(4) Nonpublic school. – A school that meets the requirements of Part 1, 2, or 3 of Article 39 of this Chapter, as identified by the Division.

(5) Parent. – A parent, legal guardian, or legal custodian of an eligible student.

(6) Personal Education Savings Account or PESA. – A bank account provided to a parent for the purpose of holding scholarship funds awarded by the Authority for an eligible student to be used for qualifying education expenses under G.S. 115C-567.10.

"**§ 115C-567.7. Award of scholarship funds for a personal education savings account.**

(a) Application Selection. – The Authority shall make available no later than February 1 of each year applications to eligible students for the award of scholarship funds for a personal education savings account to be used for qualifying education expenses to attend a nonpublic school. Information about scholarship funds and the application process shall be made available on the Authority's Web site. Applications shall be submitted electronically. Beginning March 15, the Authority shall begin selecting recipients for scholarships according to the following criteria:

(1) First priority shall be given to eligible students who were awarded scholarship funds for a PESA during the previous school year if those students have applied by March 1.

(2) After funds have been awarded to prior recipients as provided in subdivision (1) of this subsection, any remaining funds shall be used to award scholarship funds for a PESA for all other eligible students.

(b) Scholarship Awards. – Scholarships shall be awarded each year for an amount not to exceed nine thousand dollars ($9,000) per eligible student for the fiscal year in which the application is received. Recipients shall receive scholarship funds deposited in equal amounts to a PESA in each quarter of the fiscal year. The first deposit of funds to a PESA shall be subject to the execution of the parental agreement required by G.S. 115C-567.10. The parent shall then receive a debit card with the prepaid funds loaded on the card at the beginning of the fiscal year. After the initial disbursement of funds, each subsequent, quarterly disbursement of funds shall be subject to the submission by the parent of an expense report. The expense report shall be submitted electronically and shall include documentation that the student received an education, as described in G.S. 115C-567.10(a)(1), for no less than 35 days of the applicable quarter. The debit card shall be renewed upon the receipt of the parental agreement under G.S. 115C-567.10 for recipients awarded scholarship funds in subsequent fiscal years. Any funds remaining on the card at the end of the fiscal year may be carried forward to the next fiscal year if the card is renewed. Any funds remaining on the card if an agreement is not renewed shall be returned to the Authority.

(c) Eligibility for Other Scholarships. – Eligibility for the other scholarship programs is provided for as follows:

(1) An eligible student under this Article may receive, in addition to a PESA, a scholarship under Part 2A of Article 39 of this Chapter.

(2) An eligible student under this Article may receive, in addition to a PESA and a scholarship under Part 2A of Article 39 of this Chapter, a scholarship under the special education scholarship program for children with disabilities pursuant to Part 1H of Article 9 of this Chapter, only if that student has one or more of the following disabilities:

a. Autism.
b. Developmental disability.
c. Hearing impairment.
d. Moderate or severe intellectual disability.
e. Multiple, permanent orthopedic impairments.
f. Visual impairment.

(d) Applications Not Public Records. – Applications for scholarship funds and personally identifiable information related to eligible students receiving funds shall not be a public record under Chapter 132 of the General Statutes. For the purposes of this section, personally identifiable information means any information directly related to a student or members of a student's household, including the name, birthdate, address, Social Security number, telephone number, e-mail address, or any other information or identification number that would provide information about a specific student or members of a specific student's household.

"**§ 115C-567.8. Student continuing eligibility.**

After the initial disbursement of funds, the Authority shall ensure that the student's continuing eligibility is assessed at least every three years by one of the following:

(1) The local education agency. – The local education agency shall assess if the student continues to be a child with a disability and verify the outcome on a form to be provided to the Authority.

(2) A licensed psychologist with a school psychology focus or a psychiatrist. – The psychologist or psychiatrist shall assess, after review of appropriate medical and educational records, if the education and related services received by the student in the nonpublic school setting have improved the

child's educational performance and if the student would continue to benefit from placement in the nonpublic school setting. The psychologist or psychiatrist shall verify the outcome of the assessment on a form to be provided to the Authority.

"**§ 115C-567.9. Verification of eligibility.**

(a) Verification of Information. – The Authority may seek verification of information on any application for the award of scholarship funds for a personal education savings account. The Authority shall select and verify six percent (6%) of applications annually, including those with apparent errors on the face of the application. The Authority shall establish rules for the verification process. If a household fails to cooperate with verification efforts, the Authority shall revoke the award of scholarship funds for a PESA for the eligible student.

(b) Access to Information. – Household members of applicants for the award of scholarship funds for a PESA shall authorize the Authority to access information needed for verification efforts held by other State agencies, including the Department of Health and Human Services and the Department of Public Instruction.

"**§ 115C-567.10. Parental agreement; use of funds.**

(a) Parental Agreement. – The Authority shall provide the parent of a scholarship recipient with a written agreement, applicable for each year the eligible student receives scholarship funds under this Article, to be signed and returned to the Authority prior to receiving the scholarship funds. The agreement shall be submitted to the Authority electronically. The parent shall not designate any entity or individual to execute the agreement on the parent's behalf. A parent or eligible student's failure to comply with this section shall result in a forfeit of scholarship funds and those funds may be awarded to another eligible student. The parent shall agree to the following conditions in order to receive scholarship funds under this Article:

(1) Use at least a portion of the scholarship funds to provide an education to the eligible student in, at a minimum, the subjects of English language arts, mathematics, social studies, and science.

(2) Unless the student is an eligible student pursuant to G.S. 115C-567.6(3)a.7., release a local education agency in which the student is eligible to attend under G.S. 115C-366 of all obligations to educate the eligible student while the eligible student is receiving scholarship funds under this Article. A parent of a student, other than a student who is an eligible student pursuant to G.S. 115C-567.6(3)a.7., who decides to enroll the student into the local education agency or other North Carolina public school during the term of the agreement shall notify the Authority to request a release from the agreement and shall return any unexpended funds to the Authority.

(3) Use the scholarship funds deposited into a personal education savings account only for the following qualifying education expenses of the eligible student:

a. Tuition and fees for a nonpublic school that meets the requirements of Part 1 or Part 2 of Article 39 of this Chapter and is subject to the requirements of G.S. 115C-562.5.

b. Textbooks required by a nonpublic school.

c. Tutoring and teaching services provided by an individual or facility accredited by a State, regional, or national accrediting organization.

d. Curricula.

e. Fees for nationally standardized norm-referenced achievement tests, advanced placement tests, or nationally recognized college entrance exams.

f. Fees charged to the account holder for the management of the PESA.

g. Fees for services provided by a public school, including individual classes and extracurricular programs.

h. Premiums charged to the account holder for any insurance or surety bonds required by the Authority.

i. Educational therapies from a licensed or accredited practitioner or provider.

j. Educational technology defined by the Authority as approved for use pursuant to Part 1H of Article 9 of this Chapter.

k. Student transportation, pursuant to a contract with an entity that regularly provides student transportation, to and from (i) a provider of education or related services or (ii) an education activity.

(4) Not use scholarship funds for any of the following purposes:

a. Computer hardware or other technological devices not defined by the Authority as educational technology approved for use pursuant to Part 1H of Article 9 of this Chapter.

b. Consumable educational supplies, including paper, pen, or markers.

c. Tuition and fees at an institution of higher education, as defined in G.S. 116-143.1, or a private postsecondary institution.

d. Tuition and fees for a nonpublic school that meets the requirements of Part 3 of Article 39 of this Chapter.

(b) No Refunds to an Account Holder. – A nonpublic school or a provider of services purchased under subsection (a) of this section shall not refund or rebate any scholarship funds to a parent or eligible student in any manner. The parent shall notify the Authority if such a refund is required.

(c) Funds in the PESA Not Taxable. – Funds received pursuant to this Article do not constitute taxable income to the parent, legal guardian, or legal custodian of an eligible student or to the eligible student.

"**§ 115C-567.11. Identification of nonpublic schools and distribution of personal education savings account information.**

(a) List of Nonpublic Schools. – The Division shall provide annually by February 1 to the Authority a list of all nonpublic schools operating in the State that meet the requirements of Part 1, 2, or 3 of Article 39 of this Chapter.

(b) Information on PESAs to the Division. – The Authority shall provide information about personal education savings accounts to the Division. The Division shall provide information about PESAs to all qualified nonpublic schools on an annual basis.

"**§ 115C-567.12. Administration.**

(a) Rules and Regulations. – The Authority shall establish rules and regulations for the administration of the program, including the following:

(1) The administration and awarding of scholarship funds, including a lottery process for the selection of recipients within the criteria established by G.S. 115C-567.7(a), if necessary.

(2) Requiring a surety bond or insurance to be held by account holders.

(3) Use of the funds and the reporting of expenditures.

(4) Monitoring and control of spending scholarship funds deposited in a personal education savings account.

(b) Contract for Management of PESAs. – The Authority may contract with a private financial management firm or institution to manage PESAs in accordance with this Article.

(c) Annual Audits. – The Authority shall conduct annual audits of PESAs and may audit a random sampling of PESAs as needed to ensure compliance with the requirements of this Article. The Authority may contract with an independent entity to conduct these audits. The Authority may remove a parent or eligible student from the program and close a personal

education savings account for failure to comply with the terms of the parental agreement, for failure to comply with applicable laws, or because the student is no longer an eligible student.

(d) Administration Costs. – Of the funds allocated to the Authority to award scholarship funds under this Article, the Authority may retain up to two hundred fifty thousand dollars ($250,000) each fiscal year for administrative costs associated with the program, including contracting with non-State entities for administration of certain components of the program.

"**§ 115C-567.13. Reporting requirements.**

The Authority shall report annually, no later than September 1, to the Joint Legislative Education Oversight Committee on the following:

(1) Total number, grade level, race, ethnicity, and sex of eligible students receiving scholarship funds.

(2) Total amount of scholarship funding awarded.

(3) Number of students previously enrolled in public schools in the prior semester by the previously attended local education agency.

(4) Nonpublic schools in which scholarship recipients are enrolled, including numbers of scholarship recipients at each nonpublic school.

(5) The number of substantiated cases of fraud by recipients and the number of parents or students removed from the program for noncompliance with the provisions of this Article."

SECTION 10A.4.(b) G.S. 105-153.5(b) is amended by adding a new subdivision to read:

"(12) The amount deposited during the taxable year to a personal education savings account under Article 39A of Chapter 115C of the General Statutes."

SECTION 10A.4.(c) G.S. 115C-555 reads as rewritten:

"**§ 115C-555. Qualification of nonpublic schools.**

The provisions of this Part shall apply to any nonpublic school which has one or more of the following characteristics:

...

(4) It receives no funding from the State of North Carolina. For the purposes of this Article, scholarship ~~grant~~ funds awarded pursuant to Part 2A of this ~~Article~~ Article, Article 39A of this Chapter, or Part 1H of Article 9 of this Chapter to eligible students attending a nonpublic school shall not be considered funding from the State of North Carolina."

SECTION 10A.4.(d) Of the funds appropriated by this act for the Personal Education Savings Account Program in the 2017-2018 fiscal year, the sum of four hundred fifty thousand dollars ($450,000) shall be allocated to the Authority to establish the Program. Of the funds appropriated by this act for the Personal Education Savings Account Program in the 2018-2019 fiscal year, the sum of one million dollars ($1,000,000) shall be allocated to the Authority to award scholarship funds to eligible students in accordance with this section.

SECTION 10A.4.(e) Subsection (a) of this section applies beginning with the 2018-2019 school year. Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2018.

PART XI. DEPARTMENT OF HEALTH AND HUMAN SERVICES

SUBPART XI-A. CENTRAL MANAGEMENT AND SUPPORT

HEALTH INFORMATION TECHNOLOGY

SECTION 11A.1. Article 3 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-139.4D. Department of Health and Human Services; coordination of health information technology.**

(a) The Department of Health and Human Services, in cooperation with the State Chief Information Officer, shall coordinate health information technology policies and programs within the State of North Carolina. The goal of the Chief Information Officer of the Department of Health and Human Services in coordinating State health information technology policy and programs shall be to avoid duplication of efforts and to ensure that each State agency, public entity, and private entity that undertakes health information technology activities does so within the area of its greatest expertise and technical capability and in a manner that supports coordinated State and national goals, which shall include at least all of the following:

(1) Ensuring that patient health information is secure and protected, in accordance with applicable law.

(2) Improving health care quality, reducing medical errors, reducing health disparities, and advancing the delivery of patient-centered medical care.

(3) Providing appropriate information to guide medical decisions at the time and place of care.

(4) Ensuring meaningful public input into health information technology infrastructure development.

(5) Improving the coordination of information among hospitals, laboratories, physicians' offices, and other entities through an effective infrastructure for the secure and authorized exchange of health care information.

(6) Improving public health services and facilitating early identification and rapid response to public health threats and emergencies, including bioterrorist events and infectious disease outbreaks.

(7) Facilitating health and clinical research.

(8) Promoting early detection, prevention, and management of chronic diseases.

(b) The Department, in cooperation with the Department of Information Technology, shall establish and direct a health information technology management structure that is efficient and transparent and that is compatible with the Office of the National Health Coordinator for Information Technology (National Coordinator) governance mechanism. The health information technology management structure shall be responsible for all of the following:

(1) Developing a State Plan for implementing and ensuring compliance with national health information technology standards and for the most efficient, effective, and widespread adoption of health information technology.

(2) Ensuring that (i) specific populations are effectively integrated into the State Plan, including aging populations, populations requiring mental health services, and populations utilizing the public health system, and (ii) unserved and underserved populations receive priority consideration for health information technology support.

(3) Identifying all health information technology stakeholders and soliciting feedback and participation from each stakeholder in the development of the State Plan.

(4) Ensuring that existing health information technology capabilities are considered and incorporated into the State Plan.

(5) Identifying and eliminating conflicting health information technology efforts where necessary.

(6) Identifying available resources for the implementation, operation, and maintenance of health information technology, including identifying resources and available opportunities for North Carolina institutions of higher education.

(7) Ensuring that potential State Plan participants are aware of health information technology policies and programs and the opportunity for improved health information technology.

(8) Monitoring health information technology efforts and initiatives in other states and replicating successful efforts and initiatives in North Carolina.

(9) Monitoring the development of the National Coordinator's strategic plan and ensuring that all stakeholders are aware of and in compliance with its requirements.

(10) Monitoring the progress and recommendations of the Health Information Technology Policy and Standards Committee and ensuring that all stakeholders remain informed of the Committee's recommendations.

(11) Monitoring all studies and reports provided to the United States Congress and reporting to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the impact of report recommendations on State efforts to implement coordinated health information technology."

FUNDS FOR MEDICAID MANAGEMENT INFORMATION SYSTEM/ANALYTICS REPROCUREMENT

SECTION 11A.2.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of one hundred forty-two thousand seven hundred dollars ($142,700) in prior year earned revenues for the 2017-2018 fiscal year and the sum of two hundred forty-three thousand nine hundred sixty-seven dollars ($243,967) in prior year earned revenues for the 2018-2019 fiscal year shall be used to match federal funds to (i) enhance the Medicaid Management Information System (MMIS) to align with federal Medicaid Information Technology Architecture standards, system modularity, and reporting analytics and (ii) prepare for the procurement of a take-over vendor for the MMIS and the Reporting and Analytics contract, all as required by the federal Centers for Medicare and Medicaid Services. This project shall not proceed until the business case has been approved by the Office of State Budget and Management and the State Chief Information Officer in the Enterprise Project Management Office Touchdown System. Upon such approval, funds may be budgeted and the Department may create up to 10 full-time equivalent time-limited positions dedicated to the project for the 2018-2019 fiscal year.

SECTION 11A.2.(b) Departmental receipts appropriated in this act in the sum of one million two hundred eighty-four thousand three hundred dollars ($1,284,300) for the 2017-2018 fiscal year and in the sum of two million one hundred ninety-five thousand seven hundred three dollars ($2,195,703) for the 2018-2019 fiscal year shall be used for the purposes described in subsection (a) of this section.

FUNDS FOR NORTH CAROLINA FAMILIES ACCESSING SERVICES THROUGH TECHNOLOGY (NC FAST)

SECTION 11A.3.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of eight million nine hundred thousand dollars ($8,900,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of eleven million one hundred nine thousand dollars ($11,109,000) in nonrecurring funds for the 2018-2019 fiscal year, along with prior year earned revenue in the amount of eleven million nine hundred thousand dollars ($11,900,000) for each year of the 2017-2019 fiscal biennium and the cash balance in Budget Code 24410 Fund 2411 shall be used to match federal funds to expedite the development and implementation of Child Services Case Management, additional Medicaid eligibility requirements, Enterprise Program Integrity, and Identity Proofing Feasibility components of the North Carolina Families Accessing

Services through Technology (NC FAST) project. The Department shall report any changes in approved federal funding or federal match rates within 30 days after the change to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division. Departmental receipts appropriated in this act in the sum of one hundred three million four hundred fifty thousand dollars ($103,450,000) for the 2017-2018 fiscal year and in the sum of seventy-five million five hundred ninety-one thousand dollars ($75,591,000) for the 2018-2019 fiscal year shall be used to implement the components of the NC FAST project described in this subsection.

SECTION 11A.3.(b) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of one million nine hundred thousand dollars ($1,900,000) in recurring funds for the 2017-2018 fiscal year and seven million seven hundred thousand dollars ($7,700,000) in recurring funds for the 2018-2019 fiscal year shall be used to provide ongoing maintenance and operations for the NC FAST system, including the creation of 32 full-time equivalent positions for the 2017-2018 fiscal year and 54 full-time equivalent positions for the 2018-2019 fiscal year. Departmental receipts appropriated in this act in the sum of ten million five hundred thousand dollars ($10,500,000) for the 2017-2018 fiscal year and in the sum of fifteen million dollars ($15,000,000) for the 2018-2019 fiscal year shall be used for the purposes specified in this subsection.

HEALTH ANALYTICS PILOT PROGRAM

SECTION 11A.4. The Department of Health and Human Services shall continue to coordinate with the Government Data Analytics Center (GDAC) to further develop and fully operationalize the Health Analytics Pilot Program for Medicaid claims analytics and population health management authorized by Section 12A.17 of S.L. 2015-241, as amended by Section 12A.7 of S.L. 2016-94. The purpose of the Health Analytics Program is to apply analytics to data available to the Department through the GDAC in a manner that maximizes health care savings and efficiencies to the State, optimizes positive impacts on health outcomes, and assists in the transition to, and management of, the transformed North Carolina Medicaid and North Carolina Health Choice programs as described in S.L. 2015-245, as amended by Section 2 of S.L. 2016-121.

HEALTH INFORMATION EXCHANGE

SECTION 11A.5.(a) Section 12A.5(a)(1) of S.L. 2015-241 reads as rewritten:

"(1) Establish a successor HIE Network to which ~~(i) all Medicaid providers shall be connected by February 1, 2018, and (ii) all other entities that receive State funds for the provision of health services, including local management entities/managed care organizations, shall be connected by June 1, 2018.~~the following providers shall establish connectivity and commence submission of demographic and clinical data or encounter and claims data, as appropriate, in accordance with the following time line:

a. The following providers of Medicaid services that have an electronic health record system, by June 1, 2018:

1. Hospitals as defined in G.S. 131E-176(3).
2. Physicians licensed to practice under Article 1 of Chapter 90 of the General Statutes.
3. Physician assistants as defined in 21 NCAC 32S .0201.
4. Nurse practitioners as defined in 21 NCAC 36 .0801.

b. Prepaid Health Plans, as defined in S.L. 2015-245, by the commencement date of a capitated contract with the Division of

Health Benefits for the delivery of Medicaid and NC Health Choice services as specified in S.L. 2015-245.

c. All other providers of Medicaid and State-funded services, including local management entities/managed care organizations, by June 1, 2019."

SECTION 11A.5.(b) G.S. 90-414.4 reads as rewritten:

"**§ 90-414.4. Required participation in HIE Network for some providers.**

(a) Findings. – The General Assembly makes the following findings:

(1) That controlling escalating health care costs of the Medicaid program and other State-funded health services is of significant importance to the State, its taxpayers, its Medicaid recipients, and other recipients of State-funded health services.

(2) That the State needs timely access to certain demographic and clinical information pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds in order to assess performance, improve health care outcomes, pinpoint medical expense trends, identify beneficiary health risks, and evaluate how the State is spending money on Medicaid and other State-funded health services.

(3) That making demographic and clinical information available to the State by secure electronic means as set forth in subsection (b) of this section will, with respect to Medicaid and other State-funded health care programs, improve care coordination within and across health systems, increase care quality for such beneficiaries, enable more effective population health management, reduce duplication of medical services, augment syndromic surveillance, allow more accurate measurement of care services and outcomes, increase strategic knowledge about the health of the population, and facilitate health care cost containment.

(a1) Mandatory Connectivity to HIE Network. – Notwithstanding the voluntary nature of the HIE Network under G.S. 90-414.2, the following providers shall establish connectivity to the HIE Network and commence submission of demographic and clinical data or encounter and claims data, as appropriate under subsections (b) and (c) of this section, by the following dates:

(1) The following providers of Medicaid services that have an electronic health record system, by June 1, 2018:

a. Hospitals as defined in G.S. 131E-176(13).

b. Physicians licensed to practice under Article 1 of Chapter 90 of the General Statutes.

c. Physician assistants as defined in 21 NCAC 32S .0201.

d. Nurse practitioners as defined in 21 NCAC 36 .0801.

(2) Prepaid Health Plans, as defined in S.L. 2015-245, by the commencement date of a capitated contract with the Division of Health Benefits for the delivery of Medicaid and NC Health Choice services as specified in S.L. 2015-245.

(3) All other providers of Medicaid and State-funded services, including local management entities/managed care organizations, by June 1, 2019.

(a2) Extensions of Time for Establishing Connectivity. – The Authority and the Department may establish a process to grant limited extensions of the time for providers to establish connectivity to the HIE Network and commence data submission as required under this section upon the request of a provider that demonstrates an ongoing good-faith effort to take necessary steps to establish such connectivity. The process for granting an extension of time must include a presentation by the provider to the Authority and the Department of the

expected time line for establishing connectivity to the HIE Network and commencing data submission as required by this section. Neither the Authority nor the Department shall grant an extension of time (i) to any provider that fails to provide this information to the Authority and the Department or (ii) that would result in the provider establishing connectivity to the HIE Network and commencing data submission as required by this section later than June 1, 2020.

(b) Mandatory Submission of Demographic and Clinical Data. – Notwithstanding the voluntary nature of the HIE Network under G.S. 90-414.2 and except as otherwise provided in subsection (d) of this section, as a condition of receiving State funds, including Medicaid funds, the following entities shall submit at least twice daily, through the HIE network, demographic and clinical information pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds, solely for the purposes set forth in subsection (a) of this section:

(1) Each hospital, as defined in ~~G.S. 131E-76(3),~~ G.S. 131E-176(13) that has an electronic health record system.
(2) Each Medicaid provider.
(3) Each provider that receives State funds for the provision of health services.
(4) Each local management entity/managed care organization, as defined in G.S. 122C-3.

This subsection does not apply to the entities listed in subsection (c) of this section.

(c) Mandatory Submission of Encounter and Claims Data. – Notwithstanding the voluntary nature of the HIE Network under G.S. 90-414.2 and except as otherwise provided in subsection (d) of this section, beginning June 1, 2019, the following entities shall submit, through the HIE network, encounter and claims data pertaining to services rendered to Medicaid and other State-funded health care program beneficiaries and paid for with Medicaid or other State-funded health care funds as a condition of receiving State funds:

(1) Providers of respiratory, developmental, rehabilitative, or restorative services, or a combination of these services.
(2) Facilities that provide respite care.
(3) Providers of speech, language, or hearing services, or a combination of these services.
(4) Providers of transportation services.
(5) Suppliers of durable medical equipment.

(d) Exemption for Certain Records. – Providers with patient records that are subject to the disclosure restrictions of 42 C.F.R. § 2 are exempt from the requirements of subsections (b) and (c) of this section, but only with respect to the patient records subject to these disclosure restrictions. Providers shall comply with the requirements of subsections (b) and (c) of this section with respect to all other patient records.

(e) Method of Data Submissions. – The ~~daily~~ data submissions required under this ~~subsection~~ section shall be by connection to the HIE Network periodic asynchronous secure structured file transfer or any other secure electronic means commonly used in the industry and consistent with document exchange and data submission standards established by the Office of the National Coordinator for Information Technology within the U.S. Department of Health and Human Services."

SECTION 11A.5.(c) G.S. 90-414.10(e) is repealed.

SECTION 11A.5.(d) The Department of Health and Human Services shall include as one of the terms and conditions of any contract it enters into on or after the effective date of this section with a local management entity/managed care organization or Prepaid Health Plan (PHP), as defined in S.L. 2015-245, a requirement that the local management entity/managed care organization or PHP comply with the provisions of G.S. 90-414.4, as amended by this section.

SECTION 11A.5.(e) Funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for the 2017-2018 fiscal year for the Health Information Exchange Network shall be used as follows:

(1) The sum of three million dollars ($3,000,000) in nonrecurring funds shall be transferred by November 1, 2017, to the Department of Information Technology, Government Data Analytics Center, and shall be used to support all activities related to upgrading the data exchange technical environment.

(2) The sum of one million dollars ($1,000,000) in recurring funds shall be used to provide ongoing maintenance and operations of the new data exchange technical environment.

CONTROLLED SUBSTANCES REPORTING SYSTEM IMPROVEMENTS

SECTION 11A.6.(a) It is the intent of the General Assembly to improve the security, functionality, and security capabilities of the Controlled Substances Reporting System (CSRS) in order to provide additional value to practitioners and dispensers within their current clinical workflows. Toward that end, funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for each year of the 2017-2019 fiscal biennium for the CSRS shall be used to pay for contractual hours to develop and implement software via existing public-private partnerships with the Government Data and Analytics Center (GDAC) for the performance of advanced analytics within the CSRS. These hours shall be used to achieve the purposes specified in G.S. 90-113.71 and, more specifically, to accomplish at least all of the following:

(1) To enhance and automate reports authorized under G.S. 90-113.74.

(2) To enhance the Department's ability to provide data to persons or entities authorized to receive information under G.S. 90-113.74. In improving the CSRS as specified in this subdivision, the Department shall utilize subject matter expertise and technology available through existing GDAC public-private partnerships. Upon development and implementation of the advanced analytics software for the CSRS, the Division of Central Management and Support shall coordinate with the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the Division of Public Health, and any other appropriate division within the Department of Health and Human Services to ensure that advanced analytics are developed and utilized in a manner that achieves the purposes specified in G.S. 90-113.71.

(3) To aggregate relevant data sources, including those available through the GDAC.

(4) To enhance the Department's ability to generate and deploy advanced analytics in order to improve opioid prescribing practices, identify unusual prescribing patterns, and detect behavior indicative of misuse, addiction, or criminal activity.

SECTION 11A.6.(b) By December 1, 2017, the Department of Health and Human Services shall execute any contractual agreements and interagency data sharing agreements necessary to complete the improvements to the CSRS described in subdivisions (1) through (4) of subsection (a) of this section.

SECTION 11A.6.(c) To the extent allowable under federal and State laws and regulations, the Department of Information Technology shall coordinate with the Division of Central Management and Support and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to develop an interface between the CSRS and the Health Information Exchange (HIE) Network and leverage the

interfaces already developed between the HIE Network and health care entities as a method of providing CSRS data, reports, and analytic outputs to health care practitioners and dispensers.

SECTION 11A.6.(d) This section is effective when this act becomes law.

DATA ANALYTICS & PERFORMANCE ENHANCEMENTS

SECTION 11A.7. Any enhancement of the State's data analytics capabilities utilizing funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for each year of the 2017-2019 fiscal biennium shall be subject to applicable State laws requiring that these analytics be developed and implemented in collaboration with the Government Data Analytics Center.

COMMUNITY HEALTH GRANT PROGRAM CHANGES

SECTION 11A.8.(a) Funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, Office of Rural Health, for each year of the 2017-2019 fiscal biennium for Community Health Grants shall be used to award grants on a competitive basis to free clinics, federally qualified health centers, State-designated rural health centers, local health departments, school-based health centers, and other nonprofit organizations (i) with at least an eighty percent (80%) patient population comprised of uninsured patients or any combination of patients who are uninsured or recipients of Medicare, Medicaid, or the Children's Health Insurance Program; (ii) that provide primary care and preventative health services to low-income populations across the State, including individuals who are uninsured or underinsured and recipients of Medicaid and Medicare; and (iii) that serve as a medical home to these vulnerable populations, in order to accomplish any of the following purposes:

(1) Increase access to primary care and preventative health services for these vulnerable populations in existing primary care locations.

(2) Establish primary care and preventative health services in counties where no such services exist to serve these vulnerable populations.

(3) Create new services, sustain existing service levels, or augment existing services provided to these vulnerable populations, including primary care and preventative health services and including dental, pharmacy, and behavioral health services when integrated into the medical home.

(4) Increase primary care capacity to serve these vulnerable populations, including enhancing or replacing facilities, equipment, or technologies necessary to participate in the exchange of data and tools to monitor and improve the quality of care provided.

SECTION 11A.8.(b) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, Office of Rural Health, for Community Health Grants, not more than two hundred thousand dollars ($200,000) in recurring funds for each year of the 2017-2019 fiscal biennium shall be used for administrative purposes.

SECTION 11A.8.(c) The Office of Rural Health shall work with the North Carolina Community Health Center Association, the North Carolina Association of Local Health Directors, the North Carolina Association of Free and Charitable Clinics, the North Carolina School-Based Health Alliance, and other organizations representing eligible grant recipients to establish a Primary Care Advisory Committee to develop an objective and equitable process for grading applications for grants funded by this section and making recommendations to the Office of Rural Health for the award of grants funded by this section.

The Office of Rural Health shall make the final decision about awarding grants funded by this section, but no single grant award shall exceed one hundred fifty thousand

dollars ($150,000) during the fiscal year. In awarding grants, the Office of Rural Health shall give preference to applicants located in areas of the State with the highest incidences of poverty or that serve the highest percentage of indigent clients.

SECTION 11A.8.(d) Grant recipients shall not use these funds to do any of the following:

(1) Enhance or increase compensation or other benefits of personnel, administrators, directors, consultants, or any other persons receiving funds for program administration.

(2) Supplant existing funds, including federal funds traditionally received by federally qualified community health centers. However, grant funds may be used to supplement existing programs that serve the purposes described in subsection (a) of this section.

(3) Finance or satisfy any existing debt.

SECTION 11A.8.(e) The Office of Rural Health shall develop a standardized method for grant recipients to report objective, measurable quality health outcomes and shall require grant recipients to report these quality health outcomes to the Department. Beginning recipients of grant funds shall annually provide to the Office of Rural Health a written report detailing the number of patients that are cared for, the types of services that were provided, quality measures and outcomes, and any other information requested by the Office of Rural Health as necessary for evaluating the success of the Community Health Grant Program.

SECTION 11A.8.(f) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, Office of Rural Health, for the Community Health Grant Program, the sum of up to one hundred fifty thousand dollars ($150,000) in recurring funds for each year of the 2017-2019 fiscal biennium shall be used to match federal funds to provide to safety net providers eligible to participate in the Community Health Grant Program, through the Rural Health Technology Team, ongoing training and technical assistance with respect to health information technology, the adoption of electronic health records, and the establishment of connectivity to the State's health information exchange network known as NC HealthConnex.

RURAL HEALTH LOAN REPAYMENT PROGRAMS

SECTION 11A.9. Article 3 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-139.4C. Office of Rural Health; administration of loan repayment programs.**

(a) The Department of Health and Human Services, Office of Rural Health, shall use funds appropriated to the Department for loan repayment to medical, dental, and psychiatric providers practicing in State hospitals or in rural or medically underserved communities in this State to combine the following loan repayment programs in order to achieve efficient and effective management of these programs:

(1) The Physician Loan Repayment Program.

(2) The Psychiatric Loan Repayment Program.

(3) The Loan Repayment Initiative at State Facilities.

(b) These funds may be used for the following additional purposes:

(1) Continued funding of the State Loan Repayment Program for primary care providers and expansion of State incentives to general surgeons practicing in Critical Access Hospitals located across the State.

(2) Expansion of the State Loan Repayment Program to include eligible providers residing in North Carolina who use telemedicine in rural and underserved areas."

REDUCTION OF FUNDS FOR PURCHASED SERVICES

SECTION 11A.10. The Department of Health and Human Services, Division of Central Management and Support, shall achieve the required reduction in purchased services by reducing Fund Code 1910 by the sum of three million two hundred thousand dollars ($3,200,000) in recurring funds for the 2017-2018 fiscal year and by the sum of three million two hundred thousand dollars ($3,200,000) in recurring funds for the 2018-2019 fiscal year. In making the reductions required by this section, the Department may implement department-wide reductions in purchased services but shall not reduce any funds used to support (i) direct services contracts or (ii) the 2012 settlement agreement entered into between the United States Department of Justice and the State of North Carolina to ensure that the State will willingly meet the requirements of the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, and the United States Supreme Court decision in *Olmstead v. L.C.*, 527 U.S. 581 (1999).

OFFICE OF PROGRAM EVALUATION REPORTING AND ACCOUNTABILITY

SECTION 11A.11.(a) The Department of Health and Human Services shall not use any funds appropriated in this act for the Office of Program Evaluation Reporting and Accountability for any purpose other than to establish and administer that Office and to implement the provisions of Part 31A of Article 3 of Chapter 143B of the General Statutes.

SECTION 11A.11.(b) By December 1, 2017, the Department of Health and Human Services shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the establishment and operation of the Office of Program Evaluation Reporting and Accountability. The report shall include at least all of the following:

(1) A breakdown of all expenditures from the funds appropriated to the Department since the 2015-2016 fiscal year for the establishment and administration of the Office.
(2) All steps taken by the Department to establish the Office pursuant to Part 31A of Article 3 of Chapter 143B of the General Statutes.
(3) An organizational chart of the Office that includes all employees.
(4) A list of all assessments and evaluations conducted or in progress by the Office.
(5) An explanation of any obstacles to establishment and operation of the Office or fulfillment by the Office of any of the duties prescribed in G.S. 143B-216.56.

CONTRACTING SPECIALIST AND CERTIFICATION PROGRAM

SECTION 11A.12.(a) By September 1, 2017, the Department of Health and Human Services shall submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division the proposal prepared pursuant to Section 12A.4 of S.L. 2016-94 by the School of Government at the University of North Carolina at Chapel Hill, in collaboration with the Director of Procurement, Contracts and Grants for the Department of Health and Human Services, for the implementation and administration of a contracting specialist training program for management level personnel within the Department. The proposal shall include a detailed description of the proposed program curriculum along with budget estimates for program implementation and administration based on the requirements of the program design.

SECTION 11A.12.(b) This section is effective when this act becomes law.

GRADUATE MEDICAL EDUCATION FUNDING/CAPE FEAR VALLEY MEDICAL CENTER

SECTION 11A.13.(a) Calculation of Nonrecurring Payment of Funds. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, for the 2017-2018 fiscal year for Graduate Medical Education, the sum of up to three million dollars ($3,000,000) in nonrecurring funds shall be allocated to Cape Fear Valley Medical Center (the Center) to support the establishment of residency programs affiliated with Campbell University School of Medicine. Subject to fulfillment of the conditions specified in subsection (b) of this section, the nonrecurring amount of funds allocated to the Center pursuant to this section shall be equal to the total amount of actual lost Medicare payments for admissions to the Center prior to October 1, 2017, attributed to the Center's reclassification by the federal Centers for Medicare and Medicaid Services (CMS) as a rural hospital or rural referral center or any other change approved by CMS, up to a maximum of three million dollars ($3,000,000).

SECTION 11A.13.(b) Conditions for Payment of Funds. – No funds shall be paid to the Center pursuant to the calculation specified in subsection (a) of this section until the Office of State Budget and Management (OSBM) certifies, in writing, all of the following:

(1) The amount of actual lost Medicare payments for admissions to the Center prior to October 1, 2017, attributed to the Center's reclassification by the federal Centers for Medicare and Medicaid Services (CMS) as a rural hospital or rural referral center or any other change approved by CMS.

(2) That the Center has maintained approval from CMS for reclassification as a rural hospital or rural referral center.

(3) That the Center has maintained approval from the Accreditation Council for Graduate Medical Education or the American Osteopathic Association for residency programs with a minimum of 130 additional residency slots.

SECTION 11A.13.(c) Report on Use of Funds. – The Center shall report on or before April 1, 2018, to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division regarding its progress in establishing any residency programs funded by State appropriations.

SECTION 11A.13.(d) Any funds not obligated or encumbered for the purposes specified in this section by June 30, 2018, shall revert to the General Fund.

SECTION 11A.13.(e) Section 12A.8 of S.L. 2016-94, as amended by Section 5.1 of S.L. 2016-123, is repealed.

COMPETITIVE GRANTS/NONPROFIT ORGANIZATIONS

SECTION 11A.14.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Central Management and Support, the sum of ten million six hundred fifty-three thousand nine hundred eleven dollars ($10,653,911) for each year of the 2017-2019 fiscal biennium, the sum of four million five hundred eight thousand seven hundred fifty-four dollars ($4,508,754) for the 2017-2018 fiscal year and the sum of four million four hundred seventy-six thousand six hundred twenty dollars ($4,476,620) for the 2018-2019 fiscal year appropriated in Section 11L.1(p) of this act in Social Services Block Grant funds, and the sum of one million six hundred thousand dollars ($1,600,000) for each year of 2017-2019 fiscal biennium in Section 11L.1 of this act in Substance Abuse Prevention and Treatment Block Grant funds shall be used to allocate funds for nonprofit organizations.

SECTION 11A.14.(b) The Department shall continue administering a competitive grants process for nonprofit funding. The Department shall administer a plan that, at a minimum, includes each of the following:

(1) A request for application (RFA) process to allow nonprofits to apply for and receive State funds on a competitive basis. The Department shall require nonprofits to include in the application a plan to evaluate the effectiveness,

including measurable impact or outcomes, of the activities, services, and programs for which the funds are being requested.

(2) A requirement that nonprofits match a minimum of fifteen percent (15%) of the total amount of the grant award.

(3) A requirement that the Secretary prioritize grant awards to those nonprofits that are able to leverage non-State funds in addition to the grant award.

(4) A process that awards grants to nonprofits that have the capacity to provide services on a statewide basis and that support any of the following State health and wellness initiatives:

a. A program targeting advocacy, support, education, or residential services for persons diagnosed with autism.

b. A system of residential supports for those afflicted with substance abuse addiction.

c. A program of advocacy and supports for individuals with intellectual and developmental disabilities or severe and persistent mental illness, substance abusers, or the elderly.

d. Supports and services to children and adults with developmental disabilities or mental health diagnoses.

e. A food distribution system for needy individuals.

f. The provision and coordination of services for the homeless.

g. The provision of services for individuals aging out of foster care.

h. Programs promoting wellness, physical activity, and health education programming for North Carolinians.

i. The provision of services and screening for blindness.

j. A provision for the delivery of after-school services for apprenticeships or mentoring at-risk youth.

k. The provision of direct services for amyotrophic lateral sclerosis (ALS) and those diagnosed with the disease.

l. A comprehensive smoking prevention and cessation program that screens and treats tobacco use in pregnant women and postpartum mothers.

m. A program providing short-term or long-term residential substance abuse services. For purposes of this sub-subdivision, "long-term" means a minimum of 12 months.

n. A program that provides year-round sports training and athletic competition for children and adults with disabilities.

It is the intent of the General Assembly that annually the Secretary evaluate and prioritize the categories of health and wellness initiatives described under this subdivision to determine the best use of these funds in making grant awards, exclusive of direct allocations made by the General Assembly.

(5) A process that ensures that funds received by the Department to implement the plan supplement and do not supplant existing funds for health and wellness programs and initiatives.

(6) A process that allows grants to be awarded to nonprofits for up to two years.

(7) A requirement that initial disbursement of the grants be awarded no later than 30 days after certification of the State budget for the respective fiscal year.

SECTION 11A.14.(c) No later than July 1 of each year, as applicable, the Secretary shall announce the recipients of the competitive grant awards and allocate funds to the grant recipients for the respective grant period pursuant to the amounts designated under subsection (a) of this section. After awards have been granted, by September 1 of each year, the

Secretary shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards that includes at least all of the following:

(1) The identity and a brief description of each grantee and each program or initiative offered by the grantee.

(2) The amount of funding awarded to each grantee.

(3) The number of persons served by each grantee, broken down by program or initiative.

SECTION 11A.14.(d) No later than December 1 of each fiscal year, each nonprofit organization receiving funding pursuant to this subsection in the respective fiscal year shall submit to the Division of Central Management and Support a written report of all activities funded by State appropriations. The report shall include the following information about the fiscal year preceding the year in which the report is due:

a. The entity's mission, purpose, and governance structure.

b. A description of the types of programs, services, and activities funded by State appropriations.

c. Statistical and demographical information on the number of persons served by these programs, services, and activities, including the counties in which services are provided.

d. Outcome measures that demonstrate the impact and effectiveness of the programs, services, and activities.

e. A detailed program budget and list of expenditures, including all positions funded, matching expenditures, and funding sources.

SECTION 11A.14.(e) For the 2017-2019 fiscal biennium only, from the funds identified in subsection (a) of this section, the Department shall make allocations as follows:

(1) The sum of three hundred fifty thousand dollars ($350,000) in each year of the 2017-2019 fiscal biennium to provide grants to Big Brothers Big Sisters. Big Brothers Big Sisters shall be required to seek future funding through the competitive grants process in accordance with subsection (b) of this section.

(2) The sum of one million six hundred twenty-five thousand dollars ($1,625,000) for each year of the 2017-2019 fiscal biennium and the sum of one million six hundred thousand dollars ($1,600,000) in Section 11L.1 of this act in Substance Abuse Prevention and Treatment Block Grant funds in each year of the 2017-2019 fiscal biennium to Triangle Residential Options for Substance Abusers, Inc., (TROSA) for the purpose of assisting individuals with substance abuse addiction. TROSA shall be required to seek future funding through the competitive grants process in accordance with subsection (b) of this section.

SECTION 11A.14.(f) Funds appropriated pursuant to this section that have been awarded but not yet disbursed or encumbered at the end of each fiscal year shall not revert but shall remain available for expenditure.

SECTION 11A.14.(g) G.S. 143B-139.2A is repealed.

SUBPART XI-B. DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

NC PRE-K PROGRAM/STANDARDS FOR FOUR- AND FIVE-STAR RATED FACILITIES

SECTION 11B.1.(a) Eligibility. – The Department of Health and Human Services, Division of Child Development and Early Education, shall continue implementing the prekindergarten program (NC Pre-K). The NC Pre-K program shall serve children who are four years of age on or before August 31 of the program year. In determining eligibility, the Division shall establish income eligibility requirements for the program not to exceed

seventy-five percent (75%) of the State median income. Up to twenty percent (20%) of children enrolled may have family incomes in excess of seventy-five percent (75%) of median income if those children have other designated risk factors. Furthermore, any age-eligible child who is a child of either of the following shall be eligible for the program: (i) an active duty member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was ordered to active duty by the proper authority within the last 18 months or is expected to be ordered within the next 18 months, or (ii) a member of the Armed Forces of the United States, including the North Carolina National Guard, State military forces, or a reserve component of the Armed Forces who was injured or killed while serving on active duty. Eligibility determinations for NC Pre-K participants may continue through local education agencies and local North Carolina Partnership for Children, Inc., partnerships.

Other than developmental disabilities or other chronic health issues, the Division shall not consider the health of a child as a factor in determining eligibility for participation in the NC Pre-K program.

SECTION 11B.1.(b) Multiyear Contracts. – The Division of Child Development and Early Education shall require the NC Pre-K contractor to issue multiyear contracts for licensed private child care centers providing NC Pre-K classrooms.

SECTION 11B.1.(b1) Building Standards. – Notwithstanding G.S. 110-91(4), private child care facilities and public schools operating NC Pre-K classrooms shall meet the building standards for preschool students as provided in G.S. 115C-521.1.

SECTION 11B.1.(c) Programmatic Standards. – Except as provided in subsection (b1) of this section, entities operating NC Pre-K classrooms shall adhere to all of the policies prescribed by the Division of Child Development and Early Education regarding programmatic standards and classroom requirements.

SECTION 11B.1.(d) NC Pre-K Committees. – Local NC Pre-K committees shall use the standard decision-making process developed by the Division of Child Development and Early Education in awarding NC Pre-K classroom slots and student selection.

SECTION 11B.1.(e) Reporting. – The Division of Child Development and Early Education shall submit an annual report no later than March 15 of each year to the Joint Legislative Oversight Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division. The report shall include the following:

(1) The number of children participating in the NC Pre-K program by county.

(2) The number of children participating in the NC Pre-K program who have never been served in other early education programs such as child care, public or private preschool, Head Start, Early Head Start, or early intervention programs.

(3) The expected NC Pre-K expenditures for the programs and the source of the local contributions.

(4) The results of an annual evaluation of the NC Pre-K program.

SECTION 11B.1.(f) Audits. – The administration of the NC Pre-K program by local partnerships shall be subject to the financial and compliance audits authorized under G.S. 143B-168.14(b).

STATE AGENCY CONTINUED COLLABORATION ON EARLY CHILDHOOD EDUCATION/TRANSITION FROM PRESCHOOL TO KINDERGARTEN

SECTION 11B.2.(a) The Department of Health and Human Services, in consultation with the Department of Public Instruction and any other agencies or organizations that administer, support, or study early education in this State, and within resources currently available, shall continue to collaborate on an ongoing basis in the development and implementation of a statewide vision for early childhood education. In collaborating in this

effort, the agencies shall continue developing a comprehensive approach to early childhood education, birth through third grade, including creating cross agency accountability with a comprehensive set of data indicators, including consideration of the NC Pathways to Grade-Level Reading, to monitor and measure success of the early childhood education systems.

SECTION 11B.2.(b) The Department of Health and Human Services, the Department of Public Instruction, and any other agencies or organizations that administer, support, or study early education programs in this State shall submit a follow-up report of their findings and recommendations, including any legislative proposals, on the statewide vision for early childhood education pursuant to subsection (a) of this section to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on or before January 1, 2018, and may make any subsequent reports, annually, on or before January 1, as needed to those same committees.

SECTION 11B.2.(c) The Department of Health and Human Services, in consultation with the Department of Public Instruction, shall continue developing a standardized program to transition children from preschool to kindergarten. In developing this standardized transition program, the Department of Health and Human Services shall identify, at a minimum:

(1) Methods to standardize student transition information such that it is quantifiable.

(2) Recommendations for sharing data contained in a student's transition plan between preschool teachers and either kindergarten teachers or the schools that receive the incoming kindergarten students.

(3) Recommendations for sharing data contained in a student's transition plan between preschool teachers and the parents or guardians of the child who is transitioning to kindergarten.

(4) Recommendations for preschool teacher training and continuing education to support their role in completing transition plans for preschool children.

(5) Recommendations for baseline information that should be compiled in transition plans for students transitioning to kindergarten.

(6) Procedures for the management of transition plan documents, including recommendations for the length of records retention, provisions for confidentiality, and proper disposal.

(7) Any other components the Department deems appropriate in the provision of information between preschools, students' families, and kindergartens.

SECTION 11B.2.(d) The Department of Health and Human Services shall report on the development of the standardized transition program required pursuant to subsection (c) of this section, including any findings and recommendations and any legislative proposals, to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on or before January 1, 2018.

CHILD CARE SUBSIDY RATES

SECTION 11B.3.(a) The maximum gross annual income for initial eligibility, adjusted biennially, for subsidized child care services shall be determined based on a percentage of the federal poverty level as follows:

AGE	INCOME PERCENTAGE LEVEL
0 – 5	200%
6 – 12	133%

The eligibility for any child with special needs, including a child who is 13 years of age or older, shall be two hundred percent (200%) of the federal poverty level.

SECTION 11B.3.(b) Fees for families who are required to share in the cost of care are established based on ten percent (10%) of gross family income. When care is received at the blended rate, the co-payment shall be eighty-three percent (83%) of the full-time co-payment. Co-payments for part-time care shall be seventy-five percent (75%) of the full-time co-payment.

SECTION 11B.3.(c) Payments for the purchase of child care services for low-income children shall be in accordance with the following requirements:

(1) Religious sponsored child care facilities operating pursuant to G.S. 110-106 and licensed child care centers and homes that meet the minimum licensing standards that are participating in the subsidized child care program shall be paid the one-star county market rate or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (f) of this section.

(2) Licensed child care centers and homes with two or more stars shall receive the market rate for that rated license level for that age group or the rate they charge privately paying parents, whichever is lower, unless prohibited by subsection (g) of this section.

(3) Nonlicensed homes shall receive fifty percent (50%) of the county market rate or the rate they charge privately paying parents, whichever is lower.

(4) No payments shall be made for transportation services or registration fees charged by child care facilities.

(5) Payments for subsidized child care services for postsecondary education shall be limited to a maximum of 20 months of enrollment.

(6) The Department of Health and Human Services shall implement necessary rule changes to restructure services, including, but not limited to, targeting benefits to employment.

SECTION 11B.3.(d) Provisions of payment rates for child care providers in counties that do not have at least 50 children in each age group for center-based and home-based care are as follows:

(1) Except as applicable in subdivision (2) of this subsection, payment rates shall be set at the statewide or regional market rate for licensed child care centers and homes.

(2) If it can be demonstrated that the application of the statewide or regional market rate to a county with fewer than 50 children in each age group is lower than the county market rate and would inhibit the ability of the county to purchase child care for low-income children, then the county market rate may be applied.

SECTION 11B.3.(e) A market rate shall be calculated for child care centers and homes at each rated license level for each county and for each age group or age category of enrollees and shall be representative of fees charged to parents for each age group of enrollees within the county. The Division of Child Development and Early Education shall also calculate a statewide rate and regional market rate for each rated license level for each age category.

SECTION 11B.3.(f) The Division of Child Development and Early Education shall continue implementing policies that improve the quality of child care for subsidized children, including a policy in which child care subsidies are paid, to the extent possible, for child care in the higher quality centers and homes only. The Division shall define higher quality, and subsidy funds shall not be paid for one- or two-star rated facilities. For those counties with an inadequate number of four- and five-star rated facilities, the Division shall continue a transition period that allows the facilities to continue to receive subsidy funds while the facilities work on the increased star ratings. The Division may allow exemptions in counties

where there is an inadequate number of four- and five-star rated facilities for non-star rated programs, such as religious programs.

SECTION 11B.3.(g) Facilities licensed pursuant to Article 7 of Chapter 110 of the General Statutes and facilities operated pursuant to G.S. 110-106 may participate in the program that provides for the purchase of care in child care facilities for minor children of needy families. Except as authorized by subsection (f) of this section, no separate licensing requirements shall be used to select facilities to participate. In addition, child care facilities shall be required to meet any additional applicable requirements of federal law or regulations. Child care arrangements exempt from State regulation pursuant to Article 7 of Chapter 110 of the General Statutes shall meet the requirements established by other State law and by the Social Services Commission.

County departments of social services or other local contracting agencies shall not use a provider's failure to comply with requirements in addition to those specified in this subsection as a condition for reducing the provider's subsidized child care rate.

SECTION 11B.3.(h) Payment for subsidized child care services provided with Temporary Assistance for Needy Families Block Grant funds shall comply with all regulations and policies issued by the Division of Child Development and Early Education for the subsidized child care program.

SECTION 11B.3.(i) Noncitizen families who reside in this State legally shall be eligible for child care subsidies if all other conditions of eligibility are met. If all other conditions of eligibility are met, noncitizen families who reside in this State illegally shall be eligible for child care subsidies only if at least one of the following conditions is met:

(1) The child for whom a child care subsidy is sought is receiving child protective services or foster care services.

(2) The child for whom a child care subsidy is sought is developmentally delayed or at risk of being developmentally delayed.

(3) The child for whom a child care subsidy is sought is a citizen of the United States.

SECTION 11B.3.(j) The Department of Health and Human Services, Division of Child Development and Early Education, shall require all county departments of social services to include on any forms used to determine eligibility for child care subsidy whether the family waiting for subsidy is receiving assistance through the NC Pre-K Program or Head Start.

SECTION 11B.3.(k) Department of Defense-certified child care facilities licensed pursuant to G.S. 110-106.2 may participate in the State-subsidized child care program that provides for the purchase of care in child care facilities for minor children in needy families, provided that funds allocated from the State-subsidized child care program to Department of Defense-certified child care facilities shall supplement and not supplant funds allocated in accordance with G.S. 143B-168.15(g). Payment rates and fees for military families who choose Department of Defense-certified child care facilities and who are eligible to receive subsidized child care shall be as set forth in this section.

CHILD CARE SUBSIDY MARKET RATE INCREASES/CERTAIN AGE GROUPS AND COUNTIES

SECTION 11B.4.(a) Beginning October 1, 2017, the Department of Health and Human Services, Division of Child Development and Early Education (Division), shall increase the child care subsidy market rates to the rates recommended by the 2015 Child Care Market Rate Study for school-aged children in three-, four-, and five-star-rated child care centers and homes in tier one and tier two counties.

SECTION 11B.4.(b) Beginning October 1, 2017, the Division shall increase the child care subsidy market rates by seventy percent (70%) of the difference between the current market rates and the rates recommended by the 2015 Child Care Market Rate Study for

children birth through two years of age in three-, four-, and five-star-rated child care centers and homes in tier three counties.

SECTION 11B.4.(c) Beginning July 1, 2018, the Division shall increase the child care subsidy market rates to the rates recommended by the 2015 Child Care Market Rate Study for children birth through two years of age in three-, four-, and five-star-rated child care centers and homes in tier three counties.

SECTION 11B.4.(d) For purposes of this section, tier one, tier two, and tier three counties shall have the same designations as those established by the N.C. Department of Commerce's 2015 County Tier Designations.

CHILD CARE ALLOCATION FORMULA

SECTION 11B.5.(a) The Department of Health and Human Services, Division of Child Development and Early Education (Division), shall allocate child care subsidy voucher funds to pay the costs of necessary child care for minor children of needy families. The mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation under G.S. 143B-168.15(g) shall constitute the base amount for each county's child care subsidy allocation. The Department of Health and Human Services shall use the following method when allocating federal and State child care funds, not including the aggregate mandatory thirty percent (30%) North Carolina Partnership for Children, Inc., subsidy allocation:

(1) Funds shall be allocated to a county based upon the projected cost of serving children under age 11 in families with all parents working who earn less than the applicable federal poverty level percentage set forth in Section 11B.3(a) of this act.

(2) The Division may withhold up to two percent (2%) of available funds from the allocation formula for (i) preventing termination of services throughout the fiscal year and (ii) repayment of any federal funds identified by counties as overpayments, including overpayments due to fraud. The Division shall allocate to counties any funds withheld before the end of the fiscal year when the Division determines the funds are not needed for the purposes described in this subdivision.

(3) The Division shall set aside four percent (4%) of child care subsidy allocations for vulnerable populations, which include a child identified as having special needs and a child whose application for assistance indicates that the child and the child's family is experiencing homelessness or is in a temporary living situation. A child identified by this subdivision shall be given priority for receiving services until such time as set-aside allocations for vulnerable populations are exhausted.

SECTION 11B.5.(b) The Division may reallocate unused child care subsidy voucher funds in order to meet the child care needs of low-income families. Any reallocation of funds shall be based upon the expenditures of all child care subsidy voucher funding, including North Carolina Partnership for Children, Inc., funds within a county. Counties shall manage service levels within the funds allocated to the counties. A county with a spending coefficient over one hundred percent (100%) shall submit a plan to the Division for managing the county's allocation before receiving any reallocated funds.

SECTION 11B.5.(c) When implementing the formula under subsection (a) of this section, the Division shall include the market rate increase in the formula process, rather than calculating the increases outside of the formula process. Additionally, the Department shall do the following:

(1) Implement the final one-third change in a county's allocation beginning fiscal year 2018-2019. A county's initial allocation shall be the county's

expenditure in the previous fiscal year. With the exception of market rate increases consistent with any increases approved by the General Assembly, a county whose spending coefficient is less than ninety-five percent (95%) in the previous fiscal year shall receive its prior year's expenditure as its allocation and shall not receive an increase in its allocation in the following year. A county whose spending coefficient is at least ninety-five percent (95%) in the previous fiscal year shall receive, at a minimum, the amount it expended in the previous fiscal year and may receive additional funding, if available. The Division may waive this requirement and allow an increase if the spending coefficient is below ninety-five percent (95%) due to extraordinary circumstances, such as a State or federal disaster declaration in the affected county. However, effective for the 2018-2019 fiscal year, "extraordinary circumstances" shall only include a State or federal disaster declaration in the affected county or a State directive restricting the expenditure of funds that prohibits the county from meeting the ninety-five percent (95%) spending coefficient. By October 1 of each year, the Division shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division the counties that received a waiver pursuant to this subdivision and the reasons for the waiver.

(2) Effective immediately following the next new decennial census data release, implement (i) one-third of the change in a county's allocation in the year following the data release, (ii) an additional one-third of the change in a county's allocation beginning two years after the initial change under this subdivision, and (iii) the final one-third change in a county's allocation beginning the following two years thereafter.

CODIFY CERTAIN CHILD CARE SUBSIDY PROVISIONS

SECTION 11B.6. Article 3 of Chapter 143B of the General Statutes is amended by adding a new Part to read:

"Part 10C. Child Care Subsidy.

"**§ 143B-168.25. Child care funds matching requirements.**

No local matching funds may be required by the Department of Health and Human Services as a condition of any locality's receiving its initial allocation of child care funds appropriated by this act unless federal law requires a match. If the Department reallocates additional funds above twenty-five thousand dollars ($25,000) to local purchasing agencies beyond their initial allocation, local purchasing agencies must provide a twenty percent (20%) local match to receive the reallocated funds. Matching requirements shall not apply when funds are allocated because of an emergency as defined in G.S. 166A-19.3(6).

"**§ 143B-168.26. Child care revolving loan.**

Notwithstanding any law to the contrary, funds budgeted for the Child Care Revolving Loan Fund may be transferred to and invested by the financial institution contracted to operate the Fund. The principal and any income to the Fund may be used to make loans, reduce loan interest to borrowers, serve as collateral for borrowers, pay the contractor's cost of operating the Fund, or pay the Department's cost of administering the program.

"**§ 143B-168.27. Administrative allowance for county departments of social services; use of subsidy funds for fraud detection.**

(a) The Department of Health and Human Services, Division of Child Development and Early Education (Division), shall fund the allowance that county departments of social services may use for administrative costs at four percent (4%) of the county's total child care subsidy funds allocated in the Child Care and Development Fund Block Grant plan or eighty thousand dollars ($80,000), whichever is greater.

(b) Each county department of social services may use up to two percent (2%) of child care subsidy funds allocated to the county for fraud detection and investigation initiatives.

(c) The Division may adjust the allocations in the Child Care and Development Fund Block Grant according to (i) the final allocations for local departments of social services under subsection (a) of this section and (ii) the funds allocated for fraud detection and investigation initiatives under subsection (b) of this section. The Division shall submit a report on the final adjustments to the allocations of the four percent (4%) administrative costs to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than September 30 of each year."

CHILD CARE SUBSIDY RECIPIENTS TO COOPERATE WITH CHILD SUPPORT SERVICES

SECTION 11B.7.(a) Beginning January 1, 2018, the Department of Health and Human Services, the Division of Child Development and Early Education (DCDEE) and the Division of Social Services (DSS), shall implement the plan developed pursuant to S.L. 2015-51 requiring a custodial parent or other relative or person with primary custody of the child who is receiving child care subsidy payments to cooperate with the county child support services program as a condition of receiving child care subsidy payments. DCDEE and DSS shall implement the plan, which shall include, at a minimum, the components described in Section 1(a) of S.L. 2015-51, as well as any criteria DCDEE and DSS identified in its report on the plan as submitted to the Joint Legislative Oversight Committee on Health and Human Services dated February 1, 2016.

SECTION 11B.7.(b) The Division of Child Development and Early Education and the Division of Social Services shall report on the implementation of the plan to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division no later than October 1, 2018.

SMART START INITIATIVES

SECTION 11B.8.(a) Policies. – The North Carolina Partnership for Children, Inc., and its Board shall ensure policies focus on the North Carolina Partnership for Children, Inc.'s mission of improving child care quality in North Carolina for children from birth to five years of age. North Carolina Partnership for Children, Inc.-funded activities shall include assisting child care facilities with (i) improving quality, including helping one-, two-, and three-star-rated facilities increase their star ratings, and (ii) implementing prekindergarten programs. State funding for local partnerships shall also be used for evidence-based or evidence-informed programs for children from birth to five years of age that do the following:

(1) Increase children's literacy.
(2) Increase the parents' ability to raise healthy, successful children.
(3) Improve children's health.
(4) Assist four- and five-star-rated facilities in improving and maintaining quality.

SECTION 11B.8.(b) Administration. – Administrative costs shall be equivalent to, on an average statewide basis for all local partnerships, not more than eight percent (8%) of the total statewide allocation to all local partnerships. For purposes of this subsection, administrative costs shall include costs associated with partnership oversight, business and financial management, general accounting, human resources, budgeting, purchasing, contracting, and information systems management. The North Carolina Partnership for Children, Inc., shall continue using a single statewide contract management system that incorporates features of the required standard fiscal accountability plan described in G.S. 143B-168.12(a)(4). All local partnerships are required to participate in the contract management system and, directed by the North Carolina Partnership for Children, Inc., to

collaborate, to the fullest extent possible, with other local partnerships to increase efficiency and effectiveness.

SECTION 11B.8.(c) Salaries. – The salary schedule developed and implemented by the North Carolina Partnership for Children, Inc., shall set the maximum amount of State funds that may be used for the salary of the Executive Director of the North Carolina Partnership for Children, Inc., and the directors of the local partnerships. The North Carolina Partnership for Children, Inc., shall base the schedule on the following criteria:

(1) The population of the area serviced by a local partnership.
(2) The amount of State funds administered.
(3) The amount of total funds administered.
(4) The professional experience of the individual to be compensated.
(5) Any other relevant factors pertaining to salary, as determined by the North Carolina Partnership for Children, Inc.

The salary schedule shall be used only to determine the maximum amount of State funds that may be used for compensation. Nothing in this subsection shall be construed to prohibit a local partnership from using non-State funds to supplement an individual's salary in excess of the amount set by the salary schedule established under this subsection.

SECTION 11B.8.(d) Match Requirements. – The North Carolina Partnership for Children, Inc., and all local partnerships shall, in the aggregate, be required to match one hundred percent (100%) of the total amount budgeted for the program in each fiscal year of the 2017-2019 biennium. Of the funds the North Carolina Partnership for Children, Inc., and the local partnerships are required to match, contributions of cash shall be equal to at least thirteen percent (13%) and in-kind donated resources shall be equal to no more than six percent (6%) for a total match requirement of nineteen percent (19%) for each year of the 2017-2019 fiscal biennium. The North Carolina Partnership for Children, Inc., may carry forward any amount in excess of the required match for a fiscal year in order to meet the match requirement of the succeeding fiscal year. Only in-kind contributions that are quantifiable shall be applied to the in-kind match requirement. Volunteer services may be treated as an in-kind contribution for the purpose of the match requirement of this subsection. Volunteer services that qualify as professional services shall be valued at the fair market value of those services. All other volunteer service hours shall be valued at the statewide average wage rate as calculated from data compiled by the Division of Employment Security of the Department of Commerce in the Employment and Wages in North Carolina Annual Report for the most recent period for which data are available. Expenses, including both those paid by cash and in-kind contributions, incurred by other participating non-State entities contracting with the North Carolina Partnership for Children, Inc., or the local partnerships also may be considered resources available to meet the required private match. In order to qualify to meet the required private match, the expenses shall:

(1) Be verifiable from the contractor's records.
(2) If in-kind, other than volunteer services, be quantifiable in accordance with generally accepted accounting principles for nonprofit organizations.
(3) Not include expenses funded by State funds.
(4) Be supplemental to and not supplant preexisting resources for related program activities.
(5) Be incurred as a direct result of the Early Childhood Initiatives Program and be necessary and reasonable for the proper and efficient accomplishment of the Program's objectives.
(6) Be otherwise allowable under federal or State law.
(7) Be required and described in the contractual agreements approved by the North Carolina Partnership for Children, Inc., or the local partnership.

(8) Be reported to the North Carolina Partnership for Children, Inc., or the local partnership by the contractor in the same manner as reimbursable expenses.

Failure to obtain a nineteen-percent (19%) match by June 30 of each year of the 2017-2019 fiscal biennium shall result in a dollar-for-dollar reduction in the appropriation for the Program for a subsequent fiscal year. The North Carolina Partnership for Children, Inc., shall be responsible for compiling information on the private cash and in-kind contributions into a report that is submitted to the Joint Legislative Oversight Committee on Health and Human Services in a format that allows verification by the Department of Revenue. The same match requirements shall apply to any expansion funds appropriated by the General Assembly.

SECTION 11B.8.(e) Bidding. – The North Carolina Partnership for Children, Inc., and all local partnerships shall use competitive bidding practices in contracting for goods and services on contract amounts as follows:

(1) For amounts of five thousand dollars ($5,000) or less, the procedures specified by a written policy as developed by the Board of Directors of the North Carolina Partnership for Children, Inc.

(2) For amounts greater than five thousand dollars ($5,000), but less than fifteen thousand dollars ($15,000), three written quotes.

(3) For amounts of fifteen thousand dollars ($15,000) or more, but less than forty thousand dollars ($40,000), a request for proposal process.

(4) For amounts of forty thousand dollars ($40,000) or more, a request for proposal process and advertising in a major newspaper.

SECTION 11B.8.(f) Allocations. – The North Carolina Partnership for Children, Inc., shall not reduce the allocation for counties with less than 35,000 in population below the 2012-2013 funding level.

SECTION 11B.8.(g) Performance-Based Evaluation. – The Department of Health and Human Services shall continue to implement the performance-based evaluation system.

SECTION 11B.8.(h) Expenditure Restrictions. – The Department of Health and Human Services and the North Carolina Partnership for Children, Inc., shall ensure that the allocation of funds for Early Childhood Education and Development Initiatives for the 2017-2019 fiscal biennium shall be administered and distributed in the following manner:

(1) Capital expenditures are prohibited for the 2017-2019 fiscal biennium. For the purposes of this section, "capital expenditures" means expenditures for capital improvements as defined in G.S. 143C-1-1(d)(5).

(2) Expenditures of State funds for advertising and promotional activities are prohibited for the 2017-2019 fiscal biennium.

For the 2017-2019 fiscal biennium, local partnerships shall not spend any State funds on marketing campaigns, advertising, or any associated materials. Local partnerships may spend any private funds the local partnerships receive on those activities.

SMART START EARLY LITERACY INITIATIVE/DOLLY PARTON'S IMAGINATION LIBRARY

SECTION 11B.9.(a) Funds allocated to the North Carolina Partnership for Children, Inc., from the Department of Health and Human Services, shall be used to increase access to Dolly Parton's Imagination Library, an early literacy program that mails age-appropriate books on a monthly basis to children registered for the program, with the intent that, upon full implementation, access to the program shall be statewide.

SECTION 11B.9.(b) The North Carolina Partnership for Children, Inc., may use up to two percent (2%) of the funds for program evaluation. Funds appropriated under this section shall not be subject to administrative costs requirements under Section 11B.8(b) of this act, nor shall these funds be subject to the child care services funding requirements under

G.S. 143B-168.15(b), child care subsidy expansion requirements under G.S. 143B-168.15(g), or the match requirements under Section 11B.8(d) of this act.

SECTION 11B.9.(c) The North Carolina Partnership for Children, Inc., shall report on the success of the early literacy initiative, including any recommendations, to the Joint Legislative Oversight Committee on Health and Human Services by March 1, 2018. The report shall include participation rates for Dolly Parton's Imagination Library.

SUBPART XI-C. DIVISION OF SOCIAL SERVICES

TANF BENEFIT IMPLEMENTATION

SECTION 11C.1.(a) The General Assembly approves the plan titled "North Carolina Temporary Assistance for Needy Families State Plan FY 2016-2019," prepared by the Department of Health and Human Services and presented to the General Assembly. The North Carolina Temporary Assistance for Needy Families State Plan covers the period October 1, 2016, through September 30, 2019. The Department shall submit the State Plan, as revised in accordance with subsection (b) of this section, to the United States Department of Health and Human Services.

SECTION 11C.1.(b) The counties approved as Electing Counties in the North Carolina Temporary Assistance for Needy Families State Plan FY 2016-2019, as approved by this section, are Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

SECTION 11C.1.(c) Counties that submitted the letter of intent to remain as an Electing County or to be redesignated as an Electing County and the accompanying county plan for years 2016 through 2019, pursuant to G.S. 108A-27(e), shall operate under the Electing County budget requirements effective July 1, 2017. For programmatic purposes, all counties referred to in this subsection shall remain under their current county designation through September 30, 2019.

SECTION 11C.1.(d) For each year of the 2017-2019 fiscal biennium, Electing Counties shall be held harmless to their Work First Family Assistance allocations for the 2015-2016 fiscal year, provided that remaining funds allocated for Work First Family Assistance and Work First Diversion Assistance are sufficient for payments made by the Department on behalf of Standard Counties pursuant to G.S. 108A-27.11(b).

SECTION 11C.1.(e) In the event that departmental projections of Work First Family Assistance and Work First Diversion Assistance for the 2017-2018 fiscal year or the 2018-2019 fiscal year indicate that remaining funds are insufficient for Work First Family Assistance and Work First Diversion Assistance payments to be made on behalf of Standard Counties, the Department is authorized to deallocate funds, of those allocated to Electing Counties for Work First Family Assistance in excess of the sums set forth in G.S. 108A-27.11, up to the requisite amount for payments in Standard Counties. Prior to deallocation, the Department shall obtain approval by the Office of State Budget and Management. If the Department adjusts the allocation set forth in subsection (d) of this section, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

INTENSIVE FAMILY PRESERVATION SERVICES FUNDING AND PERFORMANCE ENHANCEMENTS

SECTION 11C.2.(a) Notwithstanding the provisions of G.S. 143B-150.6, the Intensive Family Preservation Services (IFPS) Program shall provide intensive services to children and families in cases of abuse, neglect, and dependency where a child is at imminent risk of removal from the home and to children and families in cases of abuse where a child is not at imminent risk of removal. The Program shall be developed and implemented statewide

on a regional basis. The IFPS shall ensure the application of standardized assessment criteria for determining imminent risk and clear criteria for determining out-of-home placement.

SECTION 11C.2.(b) The Department of Health and Human Services shall require that any program or entity that receives State, federal, or other funding for the purpose of IFPS shall provide information and data that allows for the following:

(1) An established follow-up system with a minimum of six months of follow-up services.

(2) Detailed information on the specific interventions applied, including utilization indicators and performance measurement.

(3) Cost-benefit data.

(4) Data on long-term benefits associated with IFPS. This data shall be obtained by tracking families through the intervention process.

(5) The number of families remaining intact and the associated interventions while in IFPS and 12 months thereafter.

(6) The number and percentage, by race, of children who received IFPS compared to the ratio of their distribution in the general population involved with Child Protective Services.

SECTION 11C.2.(c) The Department shall establish a performance-based funding protocol and shall only provide funding to those programs and entities providing the required information specified in subsection (b) of this section. The amount of funding shall be based on the individual performance of each program.

CHILD CARING INSTITUTIONS

SECTION 11C.3. Until the Social Services Commission adopts rules setting standardized rates for child caring institutions as authorized under G.S. 143B-153(8), the maximum reimbursement for child caring institutions shall not exceed the rate established for the specific child caring institution by the Department of Health and Human Services, Office of the Controller. In determining the maximum reimbursement, the State shall include county and IV-E reimbursements.

USE OF FOSTER CARE BUDGET FOR GUARDIANSHIP ASSISTANCE PROGRAM

SECTION 11C.4. Of the funds available for the provision of foster care services, the Department of Health and Human Services, Division of Social Services, may continue to provide for the financial support of children who are deemed to be (i) in a permanent family placement setting, (ii) eligible for legal guardianship, and (iii) otherwise unlikely to receive permanency. No additional expenses shall be incurred beyond the funds budgeted for foster care for the Guardianship Assistance Program (GAP). The Guardianship Assistance Program (GAP) shall include provisions for extending guardianship services for individuals who have attained the age of 18 years and opt to continue to receive guardianship services until reaching 21 years of age if the individual is (i) completing secondary education or a program leading to an equivalent credential, (ii) enrolled in an institution that provides postsecondary or vocational education, (iii) participating in a program or activity designed to promote, or remove barriers to, employment, (iv) employed for at least 80 hours per month, or (v) incapable of completing the educational or employment requirements of this section due to a medical condition or disability. The Guardianship Assistance Program rates shall reimburse the legal guardian for room and board and be set at the same rate as the foster care room and board rates in accordance with rates established under G.S. 108A-49.1.

CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM (NC REACH)

SECTION 11C.5.(a) Funds appropriated from the General Fund to the Department of Health and Human Services for the child welfare postsecondary support program shall be

used to continue providing assistance with the "cost of attendance" as that term is defined in 20 U.S.C. § 108711 for the educational needs of foster youth aging out of the foster care system and special needs children adopted from foster care after age 12. These funds shall be allocated by the State Education Assistance Authority.

SECTION 11C.5.(b) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of fifty thousand dollars ($50,000) for the 2017-2018 fiscal year and the sum of fifty thousand dollars ($50,000) for the 2018-2019 fiscal year shall be allocated to the North Carolina State Education Assistance Authority (SEAA). The SEAA shall use these funds only to perform administrative functions necessary to manage and distribute scholarship funds under the child welfare postsecondary support program.

SECTION 11C.5.(c) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of three hundred thirty-nine thousand four hundred ninety-three dollars ($339,493) for the 2017-2018 fiscal year and the sum of three hundred thirty-nine thousand four hundred ninety-three dollars ($339,493) for the 2018-2019 fiscal year shall be used to contract with an entity to administer the child welfare postsecondary support program described under subsection (a) of this section, which administration shall include the performance of case management services.

SECTION 11C.5.(d) Funds appropriated to the Department of Health and Human Services for the child welfare postsecondary support program shall be used only for students attending public institutions of higher education in this State.

FEDERAL CHILD SUPPORT INCENTIVE PAYMENTS

SECTION 11C.6.(a) Centralized Services. – The North Carolina Child Support Services Section (NCCSS) of the Department of Health and Human Services, Division of Social Services, shall retain up to fifteen percent (15%) of the annual federal incentive payments it receives from the federal government to enhance centralized child support services. To accomplish this requirement, NCCSS shall do the following:

(1) In consultation with representatives from county child support services programs, identify how federal incentive funding could improve centralized services.

(2) Use federal incentive funds to improve the effectiveness of the State's centralized child support services by supplementing and not supplanting State expenditures for those services.

(3) Develop and implement rules that explain the State process for calculating and distributing federal incentive funding to county child support services programs.

SECTION 11C.6.(b) County Child Support Services Programs. – NCCSS shall allocate no less than eighty-five percent (85%) of the annual federal incentive payments it receives from the federal government to county child support services programs to improve effectiveness and efficiency using the federal performance measures. To that end, NCCSS shall do the following:

(1) In consultation with representatives from county child support services programs, examine the current methodology for distributing federal incentive funding to the county programs and determine whether an alternative formula would be appropriate. NCCSS shall use its current formula for distributing federal incentive funding until an alternative formula is adopted.

(2) Upon adopting an alternative formula, develop a process to phase in the alternative formula for distributing federal incentive funding over a four-year period.

SECTION 11C.6.(c) Reporting by County Child Support Services Programs. – NCCSS shall continue implementing guidelines that identify appropriate uses for federal incentive funding. To ensure those guidelines are properly followed, NCCSS shall require county child support services programs to comply with each of the following:

(1) Submit an annual plan describing how federal incentive funding would improve program effectiveness and efficiency as a condition of receiving federal incentive funding.

(2) Report annually on the following: (i) how federal incentive funding has improved program effectiveness and efficiency and been reinvested into their programs, (ii) provide documentation that the funds were spent according to their annual plans, and (iii) explain any deviations from their plans.

SECTION 11C.6.(d) Reporting by NCCSS. – NCCSS shall submit a report on federal child support incentive funding to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by November 1 of each year. The report shall describe how federal incentive funds enhanced centralized child support services to benefit county child support services programs and improved the effectiveness and efficiency of county child support services programs. The report shall further include any changes to the State process the NCCSS used in calculating and distributing federal incentive funding to county child support services programs and any recommendations for further changes.

CHILD WELFARE SYSTEM CHANGES

SECTION 11C.7.(a) Federal Improvement Plan Implementation. – The Department of Health and Human Services, Division of Social Services, shall continue implementing the requirements of the federal Program Improvement Plan to bring our State into compliance with national standards for child welfare policy and practices. The Division shall collaborate with county departments of social services to develop a model of oversight that supports program outcomes and a county's ability to meet performance standards as outlined in the Program Improvement Plan. Oversight may include support for continuous quality improvement, staff training, and data analysis.

The Division shall report on the implementation and outcomes of the Program Improvement Plan to the Joint Legislative Oversight Committee on Health and Human Services. The report shall be submitted semiannually on February 1 and August 1 of each year, with a final report on February 1, 2019.

SECTION 11C.7.(b) Child Welfare/NC FAST. – The Department of Health and Human Services, Division of Social Services, shall continue toward completion of the child welfare component of the North Carolina Families Accessing Services Through Technology (NC FAST) system to (i) bring the State into compliance with the Statewide Information System systematic factor of the Child and Family Services Review (CFSR) and (ii) ensure that data quality meets federal standards and adequate information is collected and available to counties to assist in tracking children and outcomes across counties.

It is the intent of the General Assembly that the child welfare component of the NC FAST system be operational by December 31, 2017. To that end, the Department of Health and Human Services, Division of Social Services, shall report on the development, implementation, and outcomes of the child welfare component of the NC FAST system to the Joint Legislative Oversight Committee on Health and Human Services quarterly through February 1, 2018. The report shall include, at a minimum, each of the following:

(1) The current time line for development and implementation of the child welfare component to NC FAST.

(2) Any adjustments and justifications for adjustments to the time line.

(3) Progress on the development and implementation of the system.

(4) Address any identified issues in developing or implementing the child welfare component to NC FAST and solutions to address those issues.
(5) The level of county participation and involvement in each phase of the project.
(6) Any budget and expenditure reports, including overall project budget and expenditures, and current fiscal year budget and expenditures.

INCREASE ACCESS TO PUBLIC BENEFITS FOR OLDER DUAL ELIGIBLE SENIORS

SECTION 11C.8.(a) The Department of Health and Human Services, Division of Social Services (Division), shall continue implementing an evidence-based pilot program to increase access to public benefits for seniors aged 65 and older who are dually enrolled in Medicare and Medicaid to (i) improve the health and independence of seniors and (ii) reduce health care costs. The Division shall continue to partner with a not-for-profit firm for the purposes of engaging in a data-driven campaign to help seniors aged 65 and older who are dually enrolled in Medicare and Medicaid meet their basic social needs. The not-for-profit firm shall have demonstrated experience in assisting with these types of services and the partnership shall accomplish each of the following:

(1) Identify, through data sharing, dual eligible seniors aged 65 and older who qualify for the Supplemental Nutrition and Assistance Program (SNAP) but are not currently enrolled.
(2) Conduct an outreach program toward those seniors for the purpose of enrolling them into SNAP.
(3) Provide comprehensive application assistance through outreach specialists to complete public benefits application processes.
(4) Evaluate project effectiveness and explore how data can be utilized to achieve optimal outcomes.
(5) Make recommendations regarding policy options available to the State to streamline access to benefits.

SECTION 11C.8.(b) The Division shall report to the Office of the Governor and the Joint Legislative Oversight Committee on Health and Human Services on its progress in the pilot program by February 1 following each year the pilot program is in place. The report shall, at a minimum, include the following:

(1) The number of seniors age 65 and older who are dual eligibles but are not enrolled in SNAP.
(2) The number of those identified that would be included in the sample population.
(3) Methods of outreach toward those seniors in the sample population.
(4) Number of to date enrollments in SNAP as a direct result of outreach during the pilot program.
(5) Participation rate to date in SNAP of those seniors in the sample population.
(6) Any other findings the Division deems relevant.

SECTION 11C.8.(c) Any nonrecurring funds remaining in the 2016-2017 fiscal year from implementation of the pilot program under this section shall not revert, but shall remain available for continued implementation of the pilot program, along with any private or nonprofit funding provided to the Division for use in the pilot program. If funding and capacity exist, the Division of Social Services may expand the pilot program to include other public benefits programs.

SUCCESSFUL TRANSITION/FOSTER CARE YOUTH/PERMANENCY INNOVATION INITIATIVE TECHNICAL CHANGE

SECTION 11C.9.(a) There is created the Foster Care Transitional Living Initiative Fund to fund and support transitional living services that demonstrate positive outcomes for youth, attract significant private sector funding, and lead to the development of evidence-based programs to serve the at-risk population described in this section. The Fund shall support a demonstration project with services provided by Youth Villages to (i) improve outcomes for youth ages 17-21 years who transition from foster care through implementation of outcome-based Transitional Living Services, (ii) identify cost-savings in social services and juvenile and adult correction services associated with the provision of Transitional Living Services to youth aging out of foster care, and (iii) take necessary steps to establish an evidence-based transitional living program available to all youth aging out of foster care. In implementing these goals, the Foster Care Transitional Living Initiative Fund shall support the following strategies:

(1) Transitional Living Services, which is an outcome-based program that follows the Youth Villages Transitional Living Model. Outcomes on more than 7,000 participants have been tracked since the program's inception. The program has been evaluated through an independent Randomized Controlled Trial. Results indicate that Youth Villages Transitional Living Model had positive impacts in a variety of areas, including housing stability, earnings, economic hardship, mental health, and intimate partner violence in comparison to the control population.

(2) Public-Private Partnership, which is a commitment by private-sector funding partners to match one hundred percent (100%) of the funds appropriated to the Foster Care Transitional Living Initiative Fund for the 2017-2019 fiscal biennium for the purposes of providing Transitional Living Services through the Youth Villages Transitional Living Model to youth aging out of foster care.

(3) Impact Measurement and Evaluation, which are services funded through private partners to provide independent measurement and evaluation of the impact the Youth Villages Transitional Living Model has on the youth served, the foster care system, and on other programs and services provided by the State which are utilized by former foster care youth.

(4) Advancement of Evidence-Based Process, which is the implementation and ongoing evaluation of the Youth Villages Transitional Living Model for the purposes of establishing the first evidence-based transitional living program in the nation. To establish the evidence-based program, additional randomized controlled trials may be conducted to advance the model.

SECTION 11C.9.(b) G.S. 131D-10.9A(c) reads as rewritten:

"(c) Purpose and Powers. – The Committee shall:

(1) Design and implement a data tracking methodology to collect and analyze information to gauge the success of the initiative established under this section as well as ~~an initiative~~any initiatives for foster care youth transitioning to ~~adulthood in accordance with Part 3 of this Article.~~adulthood.

(2) Develop a methodology to identify short- and long-term cost-savings in the provision of foster care and foster care transitional living services and any potential reinvestment strategies.

(3) Oversee program implementation to ensure fidelity to the program models identified under subdivisions (1) and (2) of ~~G.S. 131D-10.9B(a) and under subdivisions (1) through (4) of G.S. 131D-10.9G(a).~~G.S. 131D-10.9B(a).

(4) Study, review, and recommend other policies and services that may positively impact permanency, well-being outcomes, and youth aging out of the foster care system."

FINAL REPORT/EASTERN BAND OF CHEROKEE INDIANS ASSUMPTION OF SERVICES

SECTION 11C.10.(a) The Department of Health and Human Services, Division of Social Services, shall submit a final report to the Joint Legislative Oversight Committee on Health and Human Services on the assumption of certain services by the Eastern Band of Cherokee Indians as implemented pursuant to Section 12C.10 of S.L. 2015-241, as amended by Section 12C.2 of S.L. 2016-94, when implementation is complete.

SECTION 11C.10.(b) Section 12C.10(h) of S.L. 2015-241 is repealed.

ELIGIBILITY REFORM/SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

SECTION 11C.11. G.S. 108A-52 reads as rewritten:

"**§ 108A-52. Determination of ~~eligibility.~~eligibility; cooperation with child support program as a condition of eligibility; limitation on categorical eligibility.**

(a) Any person who believes that he or another person is eligible to receive electronic food and nutrition benefits may apply for such assistance to the county department of social services in the county in which the applicant resides. The application shall be made in such form and shall contain such information as the Social Services Commission may require. Upon receipt of an application for electronic food and nutrition benefits, the county department of social services shall make a prompt evaluation or investigation of the facts alleged in the application in order to determine the applicant's eligibility for such assistance and to obtain such other information as the Department may require. Upon the completion of such investigation, the county department of social services shall, within a reasonable period of time, determine eligibility.

(b) The Department shall require applicants for electronic food and nutrition benefits to cooperate with the Child Support Enforcement Program in accordance with Article 9 of Chapter 110 of the General Statutes as a condition of eligibility for food and nutrition benefits pursuant to 7 C.F.R. § 273.11(o) and (p).

(c) Notwithstanding any provision of law to the contrary, the Department shall not grant a person categorical eligibility under 7 U.S.C. § 2014(a) for the food and nutrition services program based on noncash, in-kind, or other benefit unless expressly required by federal law."

FAMILY AND CHILD PROTECTION AND ACCOUNTABILITY ACT

REGIONAL SOCIAL SERVICES DEPARTMENTS; WORKING GROUP

SECTION 11C.12.(a) Transition to Regional Social Services Departments. – The Department of Health and Human Services (Department) shall develop a plan for regional organization, administration, and governance of the social services system in North Carolina. The plan shall recommend a system of public authorities that includes no more than 30 regions and is operational no later than January 1, 2022. The plan will have the effect of transforming North Carolina's State-supervised, county-administered system into a State-supervised, regionally administered system. It is essential that the plan reflect the interests of all stakeholders involved with the current system. The Department shall develop a preliminary plan and a final plan as follows:

(1) Preliminary plan. – The Department shall prepare a preliminary plan that incorporates recommendations submitted to the Department by the Social

Services Regionalization Working Group created under subsection (b) of this section. In developing the preliminary plan, the Department shall implement a process for soliciting stakeholder input on the plan. The Department shall submit the preliminary plan to the Joint Legislative Oversight Committee on Health and Human Services by January 15, 2019.

(2) Final plan. – The Department shall revise the preliminary plan to incorporate changes based on information it receives from stakeholders. The Department's plan shall include a proposed time line for completing the transition to a regional social services system by January 1, 2022. The Department shall submit the Department's plan for consideration to the Joint Legislative Oversight Committee on Health and Human Services (Committee) by March 31, 2019. However, the Department shall not implement the final plan without an act by the General Assembly.

SECTION 11C.12.(b) Social Services Regionalization Working Group. – The School of Government at the University of North Carolina at Chapel Hill (SOG) shall convene a Social Services Regionalization Working Group (Working Group) to make recommendations to the Department regarding the preliminary plan for regionalization.

SECTION 11C.12.(c) Composition. – The Working Group shall consist of the following members:

(1) Three members of the Senate appointed by the President Pro Tempore of the Senate, one of whom shall be designated as a cochair.

(2) Three members of the House of Representatives appointed by the Speaker of the House of Representatives, one of whom shall be designated as a cochair.

(3) Three representatives from the Department of Health and Human Services appointed by the Secretary of Health and Human Services or the Secretary's designee.

(4) One designee of the Chief Justice of the North Carolina Supreme Court, appointed by the Chief Justice.

(5) Four county commissioners representing the North Carolina Association of County Commissioners (NCACC), each of whom shall represent different regions of the State, appointed by the Director of the NCACC.

(6) Two representatives from the North Carolina Association of County Directors of Social Services (NCACDSS), appointed by the Director of the NCACDSS.

(7) One representative from the North Carolina Association of Social Services Attorneys (NCASSA), appointed by the Director of the NCASSA.

SECTION 11C.12.(d) Ad Hoc Subcommittees. – The cochairs may, at their discretion, establish ad hoc subcommittees involving experts and representatives of stakeholder organizations to provide information and offer recommendations related to their areas of expertise and interest. Experts and organizations may include:

(1) Social Services Commission.

(2) North Carolina Association of County Boards of Social Services.

(3) Guardian ad Litem program.

(4) Office of Indigent Defense Services.

(5) North Carolina Partnership for Children, Inc.

(6) Disability Rights of North Carolina.

(7) Benchmarks NC.

(8) North Carolina Association of Local Health Directors.

(9) North Carolina Council of Community Programs.

(10) North Carolina Emergency Management Association.

(11) North Carolina Child Support Council.

(12) North Carolina Pediatric Society.
(13) AARP North Carolina.
(14) County commissioners representing jurisdictions that have diverse geographic, socioeconomic, and demographic characteristics.
(15) Directors and administrators of consolidated human services agencies.
(16) Other experts or stakeholders identified by the cochairs.

SECTION 11C.12.(e) Duties. – The Working Group shall develop recommendations for the regionalization plan required by subsection (a) of this section. At a minimum, the recommendations shall:

(1) Focus on the need to improve service delivery, enhance the quality of services provided, increase efficiency and accuracy, and promote uniformity of service availability and delivery across the State.
(2) Specify the services a regional agency would be required and authorized to provide and the functions it would be required and authorized to perform.
(3) Identify factors to consider when establishing the size of the regions, including (i) the need to ensure that the size of the region allows the region to maintain a direct, local connection with the jurisdictions it serves and (ii) the cultural differences and similarities between regions.
(4) Propose a regional system that provides for centralized administrative operations that are geographically located in one county but preserves a physical presence for delivery of social services in every county served by the region.
(5) Strive to align the new regions with both county borders and judicial districts in order to ensure seamless connections between child welfare, adult protective services, child support enforcement, and the judicial system.
(6) Consider the implications of making the regional agencies public authorities, as defined in G.S. 159-7(b)(10), and identify policy and administrative issues that would need to be addressed in legislation when creating the authorities.
(7) Identify one or more options for maintaining county contributions to social services programs at appropriate levels to ensure adequate services are available throughout the region and each county in a region is financially accountable for the proportion of services provided in that county.
(8) Propose a governance structure for the regional agencies that, at a minimum, requires a governing board, outlines the process for appointing board members, and requires at least one county commissioner from each county within the region to serve on a governing board.
(9) Propose powers and duties of the governing board, which shall include the authority to hire and supervise the director of the regional agency.
(10) Consider the leadership needs for the regional agencies, including the minimum qualifications for the agency director as well as the necessary powers and duties of the director.
(11) Propose safeguards to ensure that the regional agencies maintain effective working relationships with the other human services agencies and stakeholders serving the same counties.
(12) Consider the implications of having personnel of the regional agencies exempt from or subject to Chapter 126 of the General Statutes.
(13) Consider the implications of regionalization of social services for counties that have established consolidated human services agencies pursuant to G.S. 153A-77 and explore options for integrating regionalized administration into the framework of consolidated agencies, granting

exemptions to regionalization for consolidated agencies, authorizing regional consolidated human services agencies, and reversing consolidations.

SECTION 11C.12.(f) Report. – The Working Group shall submit an interim report to the Joint Legislative Oversight Committee on Health and Human Services (Committee) no later than June 30, 2018. After receiving the interim report, the Committee may terminate the Working Group if it concludes that the Working Group is not making sufficient progress. The Working Group shall submit a final report, including its recommendations in accordance with subsection (d) of this section, to the Committee and the Department of Health and Human Services by December 1, 2018.

SECTION 11C.12.(g) Role of the School of Government. – The School of Government at the University of North Carolina at Chapel Hill shall assist the Working Group as follows:

(1) Convene and facilitate meetings.
(2) Provide necessary clerical and administrative support.
(3) Prepare the Working Group's preliminary and final reports.
(4) Provide technical assistance, as appropriate.

SECTION 11C.12.(h) SOG Funds. – Of the funds appropriated in this act to the Department of Health and Human Services, the sum of forty-eight thousand four hundred dollars ($48,400) for the 2017-2018 fiscal year and the sum of twenty-five thousand seven hundred dollars ($25,700) for the 2018-2019 fiscal year shall be allocated to the School of Government at the University of North Carolina at Chapel Hill for its role in assisting in developing the regionalization plan under this section.

SECTION 11C.12.(i) Working Group Funds. – Of the funds appropriated in this act to the Department of Health and Human Services, the sum of thirty-eight thousand thirty-nine dollars ($38,039) for the 2017-2018 fiscal year and the sum of sixteen thousand three hundred three dollars ($16,303) for the 2018-2019 fiscal year for reimbursement costs associated with duties of the Working Group.

REFORMING STATE SUPERVISION AND ACCOUNTABILITY OF THE STATE'S CHILD WELFARE SYSTEM

SECTION 11C.12.(j) The Office of State Budget and Management, in consultation with the Department of Health and Human Services, shall develop and issue a request for proposal (RFP) no later than January 15, 2018, to contract with a third-party organization to evaluate the State's child welfare system, develop a plan for reforming the system in order to improve outcomes for children and enhance State supervision of local administration, and provide ongoing evaluation and oversight of the agency's implementation of child welfare reform. In developing the implementation plan, the organization shall engage the services of national technical advisors with broad expertise and experience in implementing large-scale, systemic child welfare reform. The organization, along with national technical advisors, shall undertake a comprehensive, diagnostic assessment of the State's child welfare system, including its points of contact with other child-serving State systems, and develop a plan for reforming the system to include, at a minimum, the following child welfare activities:

(1) Child Protective Services (CPS), including receiving reports and investigating allegations of child abuse, neglect, or dependency.
(2) Preventive and in-home services that provide struggling families with needed supports and treatment to prevent removal of the children from the home.
(3) Child fatality oversight, including a review of the existing structure, communication, and effectiveness of the Community Child Protection Teams, the Child Fatality Prevention Team, and use of Citizen Review Panels. Oversight shall also include identification of systemic problems in

the child welfare system that may increase risk of harm or death to a child and implementation of timely and appropriate systemic reforms following a child fatality.

(4) Placement of children in foster care and other out-of-home settings.

(5) Services provided to children, youth, and parents involved with child welfare to achieve reunification of families.

(6) Efforts to achieve permanency for children either through reunification with family, legal guardianship or custody, or adoption.

(7) Provision of health care, mental health, and educational services to children and families involved with the child welfare system.

(8) Services provided to older youth in foster care and to those who have aged out of foster care.

SECTION 11C.12.(k) In addition to the requirements under subsection (j) of this section, the child welfare reform plan shall propose critical changes, as needed, to the major structural components of the State's child welfare system, including each of the following:

(1) Visioning and an overarching strategic direction for the Department of Health and Human Services, Division of Social Services.

(2) Collection, analysis, and effective use of data.

(3) Leadership and governance at the State level.

(4) Changes necessary to ensure well-trained and adequately compensated staff to improve performance and reduce turnover.

(5) Practice and implementation, including:

a. Ensuring a statewide, trauma-informed, culturally competent, family-centered practice framework.

b. Incorporating more evidence-based practices, including evidence-informed prevention services designed to reduce the number of children entering foster care.

c. Specifying expectations regarding professional development, training, and performance standards.

d. Eliminating unnecessary barriers to licensing foster care and therapeutic foster care families to ensure an adequate supply of qualified families.

e. Improving provider and foster parent feedback loops. For purposes of this sub-subdivision, "feedback loops" refers to a situation in which a portion of the output of a situation is used for new input.

f. Performing time use and salary surveys for Division of Social Services staff.

g. Promoting relationship-building across agencies and providers.

h. Implementing family supports for adoptions, which includes (i) collecting data on the incidence of disrupted adoptions and unlawful transference of children in North Carolina, (ii) the outcomes for children and families associated with disrupted adoptions, and (iii) the provision of supports needed to assist families at risk of disruption in order to keep those families together.

i. Maintaining sibling groups, in accordance with the "Fostering Connections to Success and Increasing Adoptions Act of 2008."

j. Developing a statewide, standardized functional assessment to be used for case planning, service referrals, and enhancing executive-level decision making around resource allocation and other system reform efforts.

(6) Consistent, standardized continuous quality improvement (CQI) at the State and county levels.

(7) Analysis and alignment of policies and procedures to support and accelerate system reform, focusing on sustainable change that will improve outcomes for children and families.

SECTION 11C.12.(*l*) In developing the child welfare reform plan pursuant to this section, the organization shall do each of the following:

(1) Ensure the plan complies with the requirements of the federal Child and Family Services Review Program Improvement Plan effective January 1, 2017.

(2) Consult with the Social Service Regionalization Working Group on the development of the regionalization plan and offer recommendations appropriate to align the regionalization plan with the child welfare reform plan.

(3) Review the program for corrective action under G.S. 108A-74, as amended by subsection (p) of this section, and offer any recommendations necessary to align the corrective action program with the child welfare reform plan.

SECTION 11C.12.(m) The child welfare system reform effort described in this section shall also include the creation of a Child Welfare System Transparency and Wellness Dashboard (Dashboard) that will collect data from the North Carolina Families Accessing Services through Technology (NC FAST) system. The Dashboard shall serve as a report card and include regular reports of the components described under subsection (k) of this section and be continuously updated to allow for monitoring by State leadership, staff and families involved in the child welfare system, and the general public to ensure maximum accountability and transparency and the effective and efficient use of child welfare services and funds. Specifically, the Dashboard shall address the data issues highlighted in the Child and Family Services Review (CFSR) and the North Carolina Statewide Child Protective Services Evaluation of the State's Child Protective Services system dated March 1, 2016, to ensure the provision of accurate federal reporting and improved case management, continuous quality improvement (CQI), and overall improved outcomes for children and families. The Division of Social Services shall post data from a department of social services' report card on the Division's Web site, and the data shall be updated to ensure accurate reporting. For purposes of this subsection, the term "Dashboard" means a standard set of performance and outcome metrics that indicate how effectively the child welfare system is working.

SECTION 11C.12.(n) The following reporting and implementation requirements shall occur:

(1) The Office of State Budget and Management (OSBM) shall report to the Joint Legislative Oversight Committee on Health and Human Services (Committee) upon hiring an organization to develop the child welfare reform plan pursuant to this section.

(2) OSBM shall include in the contract clear direction that time is of the essence and failure to perform within the required time line constitutes breach of contract. OSBM shall also include a provision in the contract authorizing it to terminate the contract without financial penalty to the State if OSBM, in consultation with the Committee, determines that progress on development of the child welfare reform plan is unsatisfactory.

(3) The organization shall submit a preliminary report to the Committee no later than 180 days after the contract is finalized. The preliminary report shall set forth the organization's vision for developing the child welfare reform plan. After that report is submitted, the organization shall submit bimonthly

reports to the Committee on the progress of development and implementation of the child welfare reform plan.

(4) The Department shall collaborate with the organization to implement the child welfare reform plan. The Department shall submit a report to the Committee no later than September 15, 2019. The report shall describe progress made on implementation to date, implementation plans and time lines for the subsequent 24 months, and a summary of significant challenges encountered during implementation.

(5) The Department shall conduct a comprehensive review of every policy published by the Department related to child welfare. The Department shall revise existing policies and adopt new policies as necessary to align departmental guidance with the law as well as the systemic, policy, and practice changes resulting from both regionalization of the social services system and child welfare reform. The Department shall consult with agency attorneys and the School of Government at the University of North Carolina at Chapel Hill to confirm that each policy is authorized by statute or regulation. Prior to finalizing each policy, the Department shall provide the policy to the outside organization for review. The outside organization shall monitor the implementation of the policy review and revision process and submit bimonthly reports to the Committee beginning no later than September 15, 2019.

SECTION 11C.12.(o) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, the sum of three million one hundred thousand dollars ($3,100,000) in nonrecurring funds for the 2018-2019 fiscal year shall be used for reforming State supervision and accountability of the State's child welfare system as provided in this section.

LOCAL DSS; CORRECTIVE ACTION

SECTION 11C.12.(p) G.S. 108A-74 reads as rewritten:

"**§ 108A-74. ~~County~~ Local department failure to ~~provide services;~~ meet required standards in child welfare; corrective action; State intervention in or control of service delivery.**

(a) Notwithstanding any other provision of law to the contrary, the Secretary ~~of Health and Human Services~~ may take action in accordance with this section to ensure the delivery of child welfare services in accordance with State laws and applicable rules. As used in this section, the ~~terms:~~following definitions shall apply:

(1) ~~"County department of social services" also means the~~ Department of social services. – The department responsible for administration of the social services and public assistance programs in a county. It includes a county department of social services, a consolidated human services agency, or a regional social services department, whichever ~~applies;~~applies.

(2) ~~"County director of social services" also means the~~ Director of social services. – The person responsible for managing and administering the department of social services, including a county social services director, a regional social services director, or a human services director, whichever ~~applies; and~~applies.

(3) ~~"County board of social services" also means the~~ Board of social services. – The governing body responsible for oversight of the department of social services, including a regional board of social services, a consolidated human services board, or a board of county commissioners that has assumed the

powers and duties of a social services governing board pursuant to G.S. 153A-77(a), whichever applies.

(4) Child welfare program. – Protective services related to juveniles alleged to be abused, neglected, or dependent as required by Chapter 7B of the General Statutes.

(a1) The Secretary shall develop a standard set of performance and outcome metrics for child welfare services. Departments of social services shall satisfy mandated performance requirements that are based on those metrics.

(a2) If a department of social services fails to meet the performance requirements for three consecutive months or for five months within any consecutive 12-month period, the Secretary and the department of social services shall enter into a joint corrective action plan within 60 working days. The plan shall specifically identify each of the following components:

(1) The duration of the joint corrective action plan, not to exceed 12 months. If the Secretary determines that the department of social services has not shown measurable progress within six months, the Secretary may summarily conclude that the department of social services has failed to successfully complete a joint corrective plan and may proceed with steps necessary to temporarily assume administrative responsibilities of the department of social services. If the Secretary determines the department of social services has shown measurable progress within six months, the Secretary may extend the joint corrective action plan by six months, but in no case shall a joint corrective action plan exceed 18 months.

(2) The performance requirements for the department of social services that constitute successful completion of the joint corrective action plan.

(3) An acknowledgement that failure to successfully complete the joint corrective action plan shall result in temporary assumption of all or part of the department of social services' child welfare program administration.

(b) If the Secretary ~~of Health and Human Services~~ determines that a ~~county~~ department of social services ~~is not providing child protective services, foster care services, or adoption services in accordance with State law and with applicable rules adopted by the Social Services Commission, or fails to demonstrate reasonable efforts to do so,~~ has failed to successfully complete the joint corrective action plan, then the ~~Secretary, after providing written notification of intent to the county director of social services, to the chair of the county board of commissioners, and to the chair of the county board of social services, and after providing them with an opportunity to be heard, may intervene in the particular service or services in question. Intervention includes, but is not limited to, the following activities:~~Secretary shall give the board of county commissioners, the department of social services, the county manager, and the board of social services at least 30 days' notice that the Secretary intends to temporarily assume all or part of the department's child welfare program administration in accordance with subsection (c) of this section. In a regional department of social services, notice shall be provided to boards of county commissioners and county managers for all counties served by the region.

~~(1) Sending staff of the Department of Health and Human Services to the county department of social services to provide technical assistance and to monitor the services being provided;~~

~~(2) Establishing a corrective plan of action to correct inappropriate policies and procedures; and~~

~~(3) Advising county personnel as to appropriate policies and procedures.~~

~~If within 60 days of completion of the intervention activities, the Secretary finds that the county department of social services is not providing in accordance with State laws and applicable rules the particular service or services for which intervention was initiated, or has~~

~~not demonstrated reasonable efforts to do so, the Secretary shall withhold State and federal child welfare services administrative funds until the particular service or services are provided in accordance with State laws and applicable rules.~~

(c) ~~If the Secretary determines that a county department of social services is not providing child protective, foster care, or adoption services in accordance with State law and with applicable rules adopted by the Social Services Commission, or fails to demonstrate reasonable efforts to do so, and the failure to provide the services poses a substantial threat to the safety and welfare of children in the county who receive or are eligible to receive the services, then the Secretary, after providing written notification of intent to the chair of the county board of commissioners, to the chair of the county board of social services, and to the county director of social services, and after providing them with an opportunity to be heard, shall withhold funding for the particular service or services in question and shall ensure the provision of these services through contracts with public or private agencies or by direct operation by the Department of Health and Human Services.~~Notwithstanding any provision of law to the contrary, if a department of social services fails to successfully complete its joint corrective action plan, the Secretary shall, within 30 calendar days, temporarily assume all or part of the department's child welfare program administration upon giving notice as required by subsection (b) of this section. During the period the Secretary assumes administration of the child welfare program, the following shall occur:

(1) The Secretary shall administer the child welfare program in a county or region. Administration by the Secretary may include direct operation by the Department, including supervision of child welfare program staff or contracts for operation, to the extent permitted by federal law.

(2) The department of social services shall be divested of administrative authority for any component of the child welfare program the Secretary assumes.

(3) The director of social services shall be divested of all service delivery powers conferred upon the director by G.S. 108A-14 and other applicable State law as it pertains to the services in question. The Secretary may assign any of the powers and duties of the director of social services to the Director of the Division of Social Services of the Department or a contractor, as the Secretary deems necessary and appropriate to continue the provision of services in the county. If the director delegates any authority to staff pursuant to G.S. 108A-14(b), delegated authority shall remain in effect until the Secretary, or the Secretary's designee, specifically revokes the delegation.

(4) The Secretary shall direct and oversee the expenditure of all funding for the administration of the components of the child welfare program assumed by the Secretary.

(5) The department of social services shall not withdraw funds previously obligated or appropriated for child welfare program administration and services. The department of social services shall continue to pay the county or region's nonfederal share for the child welfare program services and administration.

(6) The Secretary shall work with the department of social services to develop a plan for the department to resume child welfare program administration.

(7) The Secretary shall inform the appropriate board or boards of county commissioners, the county manager or managers, the director of social services, and the board of social services of key activities and ongoing concerns during the temporary assumption of child welfare administration.

(c1) Upon the Secretary's determination that the department of social services is able to meet performance requirements for child welfare programs and that program administration responsibilities should be restored to the department of social services, the Secretary shall notify the board of county commissioners, the department of social services, the county manager, and the board of social services that the temporary assumption of child welfare program administration will be terminated and the effective date of the termination. Upon termination, the department of social services shall resume its full authority to administer the child welfare program.

~~(d) In the event that the Secretary assumes control of service delivery pursuant to subsection (c) of this section, the county director of social services shall be divested of all service delivery powers conferred upon the director by G.S. 108A-14 and other applicable State law as the powers pertain to the services in question. Upon assumption of control of service delivery, the Secretary may assign any of the powers and duties of the county director of social services to the Director of the Division of Social Services of the Department of Health and Human Services or to a contractor as the Secretary deems necessary and appropriate to continue the provision of the services in the county.~~

~~(e) In the event the Secretary takes action under this section, the Department of Health and Human Services shall, in conjunction with the county board of commissioners, the county board of social services, and the county director of social services develop and implement a corrective plan of action. The Department of Health and Human Services shall also keep the chair of the county board of commissioners, the chair of the county board of social services, and the county director of social services informed of any ongoing concerns or problems with the delivery of the services in question.~~

~~(f) Upon the Secretary taking action pursuant to subsection (c) of this section, county funding of the services in question shall continue and at no time during the period of time that the Secretary is taking action shall a county withdraw funds previously obligated or appropriated for the services. Upon the Secretary's assumption of the control of service delivery, the county shall also pay the nonfederal share of any additional cost that may be incurred to operate the services in question at the level necessary to comply fully with State law and Social Services Commission rules.~~

~~(g) During the period of time that the Secretary is taking action pursuant to subsection (c) of this section, the Department of Health and Human Services shall work with the county board of commissioners, the county board of social services, and the county director of social services, to enable service delivery to be returned to the county if and when the Secretary has determined that services can be provided by the county in accordance with State law and applicable rules.~~"

SECTION 11C.12.(q) Subsection (p) of this section becomes effective six months after all 100 counties in the State have implemented the child welfare component to the North Carolina Families Accessing Services through Technology (NC FAST) system.

CHILD WELL-BEING TRANSFORMATION COUNCIL

SECTION 11C.12.(r) Chapter 143 of the General Statutes is amended by adding a new Article to read:

"Article 82.

"Child Well-Being Transformation Council.

"**§ 143-775. Child Well-Being Transformation Council established; membership; qualifications; vacancies.**

(a) Purpose; Findings. – The welfare of North Carolina's children is a priority. There are many public and private agencies and organizations across the State that are involved with promoting the welfare of children and protecting them from harm, such as those involving child care, schools, health care providers, social services agencies, and juvenile justice programs.

Though these agencies and organizations provide important services, they often fail to collaborate, coordinate, and communicate about those services. A more systematic and coordinated approach to services will help ensure that the State achieves the best possible outcomes for children. Therefore, the General Assembly finds that it is essential that a single body serve as a means for coordination, collaboration, and communication among agencies and organizations involved in providing public services to children.

(b) Creation and Membership. – There is established the North Carolina Child Well-Being Transformation Council (Council). The Council shall be located administratively in the General Assembly. The Council shall consist of 17 members serving staggered terms. In making appointments, each appointing authority shall select members who have appropriate experience and knowledge of the issues to be examined by the Council and shall strive to ensure members are appointed who represent the geographical, political, gender, and racial diversity of this State. The initial Council members shall be appointed on or after July 1, 2018, as follows:

(1) Four members shall be appointed by the General Assembly upon the recommendation of the President Pro Tempore of the Senate. Of the members appointed under this subdivision, one shall be a member of the Senate who shall serve for a term of two years, one shall be a representative from the Administrative Office of the Courts who shall serve for a term of three years, one shall be a representative from a child welfare private provider organization who shall serve for a term of two years, and one shall be a representative from the North Carolina Pediatric Society who shall serve a one-year term.

(2) Four members shall be appointed by the General Assembly upon the recommendation of the Speaker of the House of Representatives. Of the members appointed under this subdivision, one shall be a member of the House of Representatives who shall serve for a term of two years, one shall be a representative from the Department of Public Instruction who shall serve for a term of three years, one shall be a representative from Indigent Defense Services who shall serve for a term of two years, and one shall be a representative of the Hospital Association who shall serve a one-year term.

(3) Nine members shall be appointed by the Governor. Of the members appointed under this subdivision, one shall be a representative from the Department of Health and Human Services, Division of Child Development and Early Education, who shall serve for a term of three years, one shall be a representative from the Department of Health and Human Services, Division of Social Services, who shall serve for a term of three years, one shall be a representative from the Department of Public Safety, Division of Juvenile Justice, who shall serve for a term of two years, one shall be a representative from the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, who shall serve for a term of three years, one shall be a representative from the Guardian ad Litem program who shall serve a term of two years, one shall be a representative from Disability Rights NC who shall serve a one-year term, one shall be a representative from a local management entity/managed care organization (LME/MCO) who shall serve a one-year term, one shall be a representative from the Department of Health and Human Services, Division of Public Health, with expertise in substance abuse disorders who shall serve for a term of two years, and one shall be a director of a county department of social services who shall serve a one-year term.

(c) Terms; Vacancies. – Upon the expiration of the terms of the initial Council members, each member shall be appointed for a term of four years and shall serve until a successor is appointed. No member may serve more than two consecutive full terms. A vacancy shall be filled within 30 days by the authority making the initial appointment.

(d) Organization. – The Council shall elect from its membership a chair and vice-chair to each serve one-year terms. The Council shall meet on a quarterly basis each year upon the call of the chair. A quorum of the Council is nine members. No action may be taken except by a majority vote at a meeting at which a quorum is present. The Open Meetings Law pursuant to Article 33C of Chapter 143 of the General Statutes and the Public Records Act under Chapter 132 of the General Statutes shall apply to the Council.

(e) Funding. – From funds available to the General Assembly, the Legislative Services Commission shall allocate monies to fund the work of the Committee. Members of the Committee shall receive subsistence and travel expenses as provided in G.S. 120-3.1 and G.S. 138-5.

(f) Staff. – The Legislative Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Council in its work. Upon the direction of the Legislative Services Commission, the Director of Legislative Assistants of the Senate and of the House of Representatives shall assign clerical staff to the Council. The expenses for clerical employees shall be borne by the Council.

"**§ 143-776. Powers and duties.**

(a) Upon its establishment, the Council shall direct its initial focus on the following initiatives:

(1) Mapping the network of child-serving agencies and organizations in the State.

(2) Cataloging examples of failures in coordination, collaboration, and communication in the context of child protective services.

(3) Reviewing the work of bodies similar to the Council operating in other states to identify promising practices and focus areas for the Council's work.

(b) Beginning July 1, 2020, the Council shall focus on promoting coordination, collaboration, and communication of child-serving agencies involved with the child protective services system. In addition, the Council shall do the following:

(1) Monitor the process of regionalization.

(2) Monitor the process of child welfare reform.

(3) Recommend changes in law, policy, or practice necessary to remedy gaps in coordination, collaboration, and communication between the new regional social services departments and other agencies and organizations involved with the same populations.

(c) By 2022, and thereafter, the Council shall expand the scope of its work to encompass evaluation of child-centered programs and services beyond the child protective services system. The Council shall take appropriate steps to identify gaps in coordination, collaboration, and communication and recommend changes in law, policy, or practice necessary to remedy remaining gaps. The Council's authority extends to any publicly funded program that serves children.

(d) The Council shall submit a report to the chairs of the Senate Appropriations Committee on Health and Human Services, the chairs of the House of Representatives Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division by June 30 of each year. The report shall include a summary of the Council's work for the previous year, any findings and recommendations for change, and a work plan for the upcoming year.

(e) The Council is authorized to accept gifts or grants from other sources to support administration of the Council."

SECTION 11C.12.(s) Of the funds appropriated in this act to the Department of Health and Human Services, the sum of twelve thousand six hundred ninety-two dollars ($12,692) in nonrecurring funds for the 2018-2019 fiscal year shall be allocated to the Legislative Services Commission for purposes of assisting the Child Well-Being Transformation Council established pursuant to subsection (r) of this section.

DRIVERS LICENSE PILOT PROJECT

SECTION 11C.12.(t) The General Assembly recognizes that not having a drivers license is a barrier to education, employment, health care, and other community-based activities for older youth in foster care, as defined in G.S. 131D-10.2(9), working toward independence. One of the biggest barriers to accessing a drivers license for such youth is the ability to obtain insurance. Therefore, to assist in this effort, the Department of Health and Human Services, Division of Social Services, shall establish a two-year pilot program that shall reimburse, on a first-come, first-served basis, youth and caregivers' costs associated with drivers license education, drivers license fees, insurance costs, and any other costs associated with obtaining a drivers license. The Division shall take appropriate steps to ensure proper advertising of the pilot program.

The Division of Social Services shall report on the pilot project to the Joint Legislative Oversight Committee on Health and Human Services by March 1, 2018.

SECTION 11C.12.(u) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Social Services, the sum of seventy-five thousand dollars ($75,000) for the 2017-2018 fiscal year and the sum of seventy-five thousand dollars ($75,000) for the 2018-2019 fiscal year shall be used to conduct the pilot project established pursuant to subsection (t) of this section.

PILOT WAIVER FOR IAFT FOSTER PARENTS

SECTION 11C.12.(v) The General Assembly has determined that in an effort to maximize funding, local management entities/managed care organizations (LME/MCOs) are utilizing Intensive Alternative Family Treatment (IAFT), which is a means of cost-effective, specialized foster care treatment service that is being used for many youth who would have previously been treated in Medicaid congregate care, such as psychiatric residential treatment facilities. The General Assembly finds that these higher-need youth are often (i) suspended or expelled from school or day programs and (ii) require multiple appointments on a weekly basis to address needs, such as therapy, medication management, and school individual education plans (IEPs). Further, in accordance with rules, foster parents are required to maintain outside employment while providing foster care, but the constant demands of meeting the needs of these foster youth often lead to disruption in placement as the foster parent is unable to meet those needs while maintaining the parent's employment obligations.

SECTION 11C.12.(w) To that end, the Department of Health and Human Services, Division of Social Services (Division), shall establish a pilot program that will allow the Division to waive the employment requirement for foster parents with children utilizing the Intensive Alternative Family Treatment (IAFT). The Division shall solicit participation in the pilot program from interested local management entities/managed care organizations (LME/MCOs). The participating LME/MCOs shall conduct comparison measures between existing IAFT outcomes and those of pilots to determine any impact the waiver may have on outside employment. LME/MCOs shall measure progress of the pilot waivers based on the expectation of meeting the following outcomes:

(1) Improved placement stability with less than twenty percent (20%) of moves of youth occurring due to therapeutic foster parent request.

(2) Seventy-five percent (75%) of youth and families meeting their treatment goals within the projected time frame.

(3) No more than a ten percent (10%) increase in higher-level hospital bed days.

SECTION 11C.12.(x) LME/MCOs participating in the IAFT pilot waiver program shall provide a report on the outcomes of the pilots, along with any recommendations, to the Division. The Division shall then submit a report on the pilot waiver program to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2018.

TERMINATION OF PARENTAL RIGHTS/APPEALS

SECTION 11C.12.(y) G.S. 7B-1001, as amended by Section 4 of S.L. 2017-7, reads as rewritten:

"**§ 7B-1001. Right to appeal.**

(a) In a juvenile matter under this Subchapter, appeal of a final order of the court ~~in a juvenile matter~~ shall be made directly to the Court of ~~Appeals unless otherwise specified.~~Appeals. Only the following juvenile matters may be appealed:

...

(5) ~~An order entered under G.S. 7B-906.2(b) with rights to appeal properly preserved, as follows:~~

~~a. The Court of Appeals shall review the order eliminating reunification as a permanent plan if all of the following apply:~~

~~1. A motion or petition to terminate the parent's rights is heard and granted.~~

~~2. The order terminating parental rights is appealed in a proper and timely manner.~~

~~3. The order eliminating reunification as a permanent plan is identified as an issue in the record on appeal of the termination of parental rights.~~

~~b. A party who is a parent shall have the right to appeal the order if no termination of parental rights petition or motion is filed within 180 days of the order.~~

~~c. A party who is a custodian or guardian shall have the right to immediately appeal the order.~~

An order entered under G.S. 7B-906.2(b) eliminating reunification, as defined by G.S. 7B-101(18b), as a permanent plan by either of the following:

a. A parent who is a party and:

1. Has preserved the right to appeal the order in writing within 30 days after entry and service of the order.

2. A termination of parental rights petition or motion has not been filed within 65 days of entry and service of the order.

3. A notice of appeal of the order eliminating reunification is filed within 30 days after entry and service of the expiration of the 65 days.

b. A party who is a guardian or custodian with whom reunification is not a permanent plan.

~~(6) Any order that terminates parental rights or denies a petition or motion to terminate parental rights shall be made directly to the Supreme Court.~~

(a1) In a juvenile matter under this Subchapter, appeal of a final order of the court shall be made directly to the Supreme Court in the following juvenile matters:

(1) Any order that terminates parental rights or denies a petition or motion to terminate parental rights.

(2) An order eliminating reunification as a permanent plan under G.S. 7B-906.2(b), if all of the following conditions are satisfied:

a. The right to appeal the order eliminating reunification has been preserved in writing within 30 days of entry and service of the order.
b. A motion or petition to terminate the parent's rights is filed within 65 days of entry and service of the order eliminating reunification and both of the following occur:
1. The motion or petition to terminate rights is heard and granted.
2. The order terminating parental rights is appealed in a proper and timely manner.
c. A separate notice of appeal of the order eliminating reunification is filed within 30 days after entry and service of a termination of parental rights order.

(a2) In an appeal filed pursuant to subdivision (a1)(2) of this section, the Supreme Court shall review the order eliminating reunification together with an appeal of the order terminating parental rights. If the order eliminating reunification is vacated or reversed, the order terminating parental rights shall be vacated.

(b) Notice of appeal and notice to preserve the right to appeal shall be given in writing by a proper party as defined in G.S. 7B-1002 and shall be made within 30 days after entry and service of the order in accordance with G.S. 1A-1, Rule 58.

(c) Notice of appeal shall be signed by both the appealing party and counsel for the appealing party, if any. In the case of an appeal by a juvenile, notice of appeal shall be signed by the guardian ad litem attorney advocate."

TIME FRAME FOR LICENSURE APPROVAL/FOSTER CARE

SECTION 11C.12.(z) G.S. 131D-10.3 is amended by adding a new subsection to read:

"**§ 131D-10.3. Licensure required.**

...

(d1) Notwithstanding any other provision of law, the Department shall grant or deny a license to provide foster care or therapeutic foster care within three months from the date of application.

...."

SECTION 11C.12.(aa) The Department of Health and Human Services, Division of Social Services, shall further examine the existing time frames for processing foster care and therapeutic foster care applications and determine methods to further reduce the time frames for approving or denying applications for licensure.

TEMPORARY FINANCIAL ASSISTANCE FOR FACILITIES LICENSED TO ACCEPT STATE-COUNTY SPECIAL ASSISTANCE

SECTION 11C.13.(a) The following definitions apply in this section:

(1) Facility licensed to accept State-County Special Assistance payments or facility. – Any residential care facility that is (i) licensed by the Department of Health and Human Services and (ii) authorized to accept State-County Special Assistance payments from its residents.

(2) State-County Special Assistance. – The program authorized by G.S. 108A-40.

SECTION 11C.13.(b) Nonrecurring funds appropriated in this act to the Department of Health and Human Services, Division of Social Services (DSS), for each year of the 2017-2019 fiscal biennium for facilities licensed to accept State-County Special Assistance payments shall be used to provide temporary financial assistance in the form of a monthly payment to these facilities on behalf of each resident who is a recipient of State-County Special

Assistance. The counties shall pay to the State fifty percent (50%) of the cost of providing these monthly payments to these facilities. The monthly payments provided by DSS to these facilities shall be subject to all of the following requirements and limitations:

(1) The amount of the monthly payments authorized by this section is equal to thirty-four dollars ($34.00) per month for each resident of the facility as of the first day of the month who is a recipient of State-County Special Assistance.

(2) A facility that receives the monthly payments authorized by this section shall not, under any circumstances, use these payments for any purpose other than to offset the cost of serving residents who are recipients of State-County Special Assistance.

(3) The DSS shall make monthly payments authorized by this section to a facility on behalf of a resident only for the period commencing July 1, 2017, and ending June 30, 2019.

(4) The DSS shall make monthly payments authorized by this section only to the extent sufficient State and county funds allocated to the DSS for each year of the 2017-2019 fiscal biennium are available for this purpose.

(5) The DSS shall not make monthly payments authorized by this section to a facility on behalf of a resident whose eligibility determination for State-County Special Assistance is pending.

(6) The DSS shall terminate all monthly payments pursuant to this section on the earlier of the following:

a. June 30, 2019.

b. Upon depletion of the State and county funds allocated to the DSS for each year of the 2017-2019 fiscal year for this purpose.

SECTION 11C.13.(c) Notwithstanding any provision of this act or any other provision of law to the contrary, the DSS shall not be required to provide any temporary financial assistance to facilities beyond June 30, 2019, or upon depletion of the State and county funds allocated to the DSS for each year of the 2017-2019 fiscal biennium for this purpose, whichever is earlier.

SECTION 11C.13.(d) If possible, the DSS shall use an existing mechanism to administer these funds in the least restrictive manner that ensures compliance with this section and timely and accurate payments to facilities. The DSS shall not, under any circumstances, use any portion of the State and county funds allocated to the DSS for each year of the 2017-2019 fiscal biennium for the purpose of this section for any other purpose.

SECTION 11C.13.(e) Nothing in this section shall be construed as an obligation by the General Assembly to appropriate funds for the purpose of this section, or as an entitlement by any facility, resident of a facility, or other person to receive temporary financial assistance under this section.

SECTION 11C.13.(f) Of the funds appropriated in this act to the DSS for each year of the 2017-2019 fiscal biennium for facilities licensed to accept State-County Special Assistance payments, the DSS shall not use more than two hundred fifty thousand dollars ($250,000) in nonrecurring funds for each year of the 2017-2019 fiscal biennium for administrative purposes.

SECTION 11C.13.(g) This section expires on June 30, 2019.

SUBPART XI-D. DIVISION OF AGING AND ADULT SERVICES

STATE-COUNTY SPECIAL ASSISTANCE

SECTION 11D.1.(a) For each year of the 2017-2019 fiscal biennium, the maximum monthly rate for residents in adult care home facilities shall be one thousand one hundred eighty-two dollars ($1,182) per month per resident.

SECTION 11D.1.(b) For each year of the 2017-2019 fiscal biennium, the maximum monthly rate for residents in Alzheimer's/Dementia special care units shall be one thousand five hundred fifteen dollars ($1,515) per month per resident.

ALIGNMENT OF STATE & FEDERAL AGING PLAN REPORTING DEADLINES

SECTION 11D.2. G.S. 143B-181.1A reads as rewritten:

"**§ 143B-181.1A. Plan for serving older adults; inventory of existing data; cooperation by State agencies.**

(a) The Division of ~~Aging,~~Aging and Adult Services of the Department of Health and Human Services shall submit a regularly updated plan to the General Assembly by ~~March 1~~July 1 of every other odd-numbered year, beginning March 1, 1995. This plan shall include:

(1) A detailed analysis of the needs of older adults in North Carolina, based on existing available data, including demographic, geographic, health, social, ~~economical,~~economic, and other pertinent ~~indicators;~~indicators.

(2) A clear statement of the goals of the State's long-term public policy on ~~aging;~~aging.

(3) An analysis of services currently provided and an analysis of additional services ~~needed; and~~needed.

(4) Specific implementation recommendations on expansion and funding of current and additional services and ~~services~~ service levels.

(b) The Division of ~~Aging,~~Aging and Adult Services of the Department of Health and Human ~~Services,~~Services shall maintain an inventory of existing data sets regarding the elderly in North Carolina, in order to ensure that adequate demographic, geographic, health, social, economic, and other pertinent indicators are available to generate its regularly updated Plan for Serving Older Adults.

Upon request, the Division of Aging and Adult Services shall make information on these data sets available within a reasonable time.

All State agencies and entities that possess data relating to the elderly, including the Department of ~~Health and Human Services' Division of Health Services, the Division of~~ Administration and the Divisions of Public Health, Health Service Regulation, and ~~the Division of Social Services, and the Department of Administration,~~Social Services of the Department of Health and Human Services, shall cooperate, upon request, with the Division of Aging and Adult Services in implementing this subsection."

SUBPART XI-E. DIVISION OF PUBLIC HEALTH

FUNDS FOR SCHOOL NURSES

SECTION 11E.1. Part 1 of Article 1 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-4.3. State funds for school nurses.**

(a) The Department shall use State funds appropriated for the School Nurse Funding Initiative to supplement and not supplant other State, local, or federal funds appropriated or allocated for this purpose. The Department shall ensure that communities maintain their current level of effort and funding for school nurses. These funds shall not be used to fund nurses for State agencies. These funds shall be distributed to local health departments according to a formula that includes all of the following:

(1) School nurse-to-student ratio.

(2) Percentage of students eligible for free or reduced-price meals.

(3) Percentage of children in poverty.
(4) Per capita income.
(5) Eligibility as a low-wealth county.
(6) Mortality rates for children between one and 19 years of age.
(7) Percentage of students with chronic illnesses.
(8) Percentage of county population consisting of minority persons.

(b) The Division of Public Health shall ensure that school nurses funded with State funds (i) do not assist in any instructional or administrative duties associated with a school's curriculum and (ii) perform all of the following with respect to school health programs:

(1) Serve as the coordinator of the health services program and provide nursing care.
(2) Provide health education to students, staff, and parents.
(3) Identify health and safety concerns in the school environment and promote a nurturing school environment.
(4) Support healthy food services programs.
(5) Promote healthy physical education, sports policies, and practices.
(6) Provide health counseling, assess mental health needs, provide interventions, and refer students to appropriate school staff or community agencies.
(7) Promote community involvement in assuring a healthy school and serve as school liaison to a health advisory committee.
(8) Provide health education and counseling and promote healthy activities and a healthy environment for school staff.
(9) Be available to assist the county health department during a public health emergency."

STRATEGIES FOR ADDRESSING STRUCTURAL BUDGET DEFICIT IN STATE LABORATORY OF PUBLIC HEALTH

SECTION 11E.2.(a) By March 1, 2018, the Department of Health and Human Services, Division of Public Health, shall review the current fee schedule for medical and environmental services provided by the State Laboratory of Public Health (SLPH) and report any recommended strategies for addressing its structural budget deficit. The report must include at least all of the following:

(1) Recommendations on all of the following:
  a. Any service the SLPH currently provides at no cost for which it should begin charging a fee, along with recommendations for the amount of each new fee sufficient to cover both the direct and indirect costs of the service.
  b. Implementation of a billing system for services provided by the SLPH.
  c. Strategies to improve billing accuracy in order to increase the SLPH's Medicaid reimbursement rate.
  d. The feasibility of modifying the Medicaid State Plan to allow the SLPH to engage in cost settlement, similar to the approaches used by local health departments.
(2) Identification of measures to ensure that local health departments collect and report all data needed to ensure accurate and timely billing of SLPH services.
(3) Proposals on alternative funding options to support the operating costs of the SLPH.

SECTION 11E.2.(b) This section is effective when this act becomes law.

LOCAL HEALTH DEPARTMENTS/COMPETITIVE GRANT PROCESS TO IMPROVE MATERNAL AND CHILD HEALTH

SECTION 11E.3.(a) Funds appropriated in this act to the Department of Health and Human Services, Division of Public Health, for each year of the 2017-2019 fiscal biennium to award competitive grants to local health departments for the improvement of maternal and child health shall be used to continue administering a competitive grant process for local health departments based on maternal and infant health indicators and the county's detailed proposal to invest in evidence-based programs to achieve the following goals:

(1) Improve North Carolina's birth outcomes.

(2) Improve the overall health status of children in this State from birth to age five.

(3) Lower the State's infant mortality rate.

SECTION 11E.3.(b) The plan for administering the competitive grant process shall include at least all of the following components:

(1) A request for application (RFA) process to allow local health departments to apply for and receive State funds on a competitive basis. The Department shall require local health departments to include in the application a plan to evaluate the effectiveness, including measurable impact or outcomes, of the activities, services, and programs for which the funds are being requested.

(2) A requirement that the Secretary prioritize grant awards to those local health departments that are able to leverage non-State funds in addition to the grant award.

(3) Ensures that funds received by the Department to implement the plan supplement and do not supplant existing funds for maternal and child health initiatives.

(4) Allows grants to be awarded to local health departments for up to two years.

SECTION 11E.3.(c) No later than July 1 of each year, as applicable, the Secretary shall announce the recipients of the competitive grant awards and allocate funds to the grant recipients for the respective grant period pursuant to the amounts designated under subsection (a) of this section. After awards have been granted, the Secretary shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services on the grant awards that includes at least all of the following:

(1) The identity and a brief description of each grantee and each program or initiative offered by the grantee.

(2) The amount of funding awarded to each grantee.

(3) The number of persons served by each grantee, broken down by program or initiative.

SECTION 11E.3.(d) No later than December 1 of each fiscal year, each local health department receiving funding pursuant to this section in the respective fiscal year shall submit to the Division of Central Management and Support a written report of all activities funded by State appropriations. The report shall include the following information about the fiscal year preceding the year in which the report is due:

(1) A description of the types of programs, services, and activities funded by State appropriations.

(2) Statistical and demographical information on the number of persons served by these programs, services, and activities, including the counties in which services are provided.

(3) Outcome measures that demonstrate the impact and effectiveness of the programs, services, and activities based on the evaluation protocols developed by the Division, in collaboration with the University of North Carolina Gillings School of Global Public Health, pursuant to Section

12E.11(e) of S.L. 2015-241, and reported to the Joint Legislative Oversight Committee on Health and Human Services on April 1, 2016.

(4) A detailed program budget and list of expenditures, including all positions funded, matching expenditures, and funding sources.

LIMITATION ON USE OF STATE FUNDS

SECTION 11E.4. Of the funds appropriated in this act to the Department of Health and Human Services for the 2017-2019 fiscal biennium, no State funds shall be allocated to any provider that performs abortions. This section shall not be construed to prevent the Department from paying any State Health Plan provider or Medicaid provider for services authorized under the State Health Plan or the State Medicaid Program.

EVIDENCE-BASED DIABETES PREVENTION PROGRAM TO ELIMINATE HEALTH DISPARITIES

SECTION 11E.5.(a) The Department of Health and Human Services, Division of Public Health, Office of Minority Health, shall continue to administer, in consultation with the Chronic Disease and Injury Prevention Section, an evidence-based Diabetes Prevention Program modeled after the program recommended by the National Institute of Diabetes and Digestive and Kidney Diseases, targeting minority populations.

SECTION 11E.5.(b) By December 1, 2017, and annually thereafter, the Department of Health and Human Services shall report to the Joint Legislative Oversight Committee on Health and Human Services on the status, participant demographics, cost, and outcomes of the Diabetes Prevention Program authorized by subsection (a) of this section.

IMPLEMENT THE FEDERAL ELEVATED BLOOD LEVEL STANDARD IN NORTH CAROLINA

SECTION 11E.6.(a) It is the intent of the State to protect young children from being exposed to high levels of lead that can cause substantial harm to their normal neurological development and to ensure important intervention services, including required remediation of lead hazards, will be provided to children whose health is threatened by lead exposure.

SECTION 11E.6.(b) G.S. 130A-131.7 reads as rewritten:

"**§ 130A-131.7. Definitions.**

The following definitions apply in this Part:

...

(3) "Confirmed lead poisoning" means a blood lead concentration of ~~20~~ 10 micrograms per deciliter or greater determined by the lower of two consecutive blood tests within a ~~six-month~~ 12-month period.

...

(5) "Elevated blood lead level" means a blood lead concentration of ~~10~~ five micrograms per deciliter or greater determined by the lower of two consecutive blood tests within a ~~six-month~~ 12-month period.

...."

SECTION 11E.6.(c) G.S. 130A-131.9C(a) reads as rewritten:

"(a) Upon determination that a child less than six years of age has a confirmed lead poisoning of ~~20~~ 10 micrograms per deciliter or greater and that child resides in a residential housing unit containing lead poisoning hazards, the Department shall require remediation of the lead poisoning hazards. The Department shall also require remediation of the lead poisoning hazards identified at the supplemental addresses of a child less than six years of age with a confirmed lead poisoning of ~~20~~ 10 micrograms per deciliter or greater."

SECTION 11E.6.(d) G.S. 130A-131.9G reads as rewritten:

"**§ 130A-131.9G. Resident responsibilities.**

In any residential housing unit occupied by a child less than six years of age who has an elevated blood lead level of ~~10~~ five micrograms per deciliter or greater, the Department shall advise, in writing, the owner or managing agent and the child's parents or legal guardian of the importance of carrying out routine cleaning activities in the units they occupy, own, or manage. The cleaning activities shall include all of the following:

(1) Wiping clean all windowsills with a damp cloth or sponge at least weekly.

(2) Regularly washing all surfaces accessible to children.

(3) In the case of a leased residential housing unit, identifying any deteriorated paint in the unit and notifying the owner or managing agent of the conditions within 72 hours of discovery.

(4) Identifying and understanding potential lead poisoning hazards in the environment of each child less than six years of age in the unit (including toys, vinyl miniblinds, playground equipment, drinking water, soil, and painted surfaces), and taking steps to prevent children from ingesting lead such as encouraging children to wash their faces and hands frequently and especially after playing outdoors."

AIDS DRUG ASSISTANCE PROGRAM

SECTION 11E.7. Part 1 of Article 1 of Chapter 130A of the General Statutes is amended by adding a new section to read:

"**§ 130A-4.4. Funds for AIDS Drug Assistance Program.**

The Department shall work with the Department of Public Safety to use Department of Public Safety funds to purchase pharmaceuticals for the treatment of individuals in the custody of the Department of Public Safety who have been diagnosed with Human Immunodeficiency Virus or Acquired Immune Deficiency Syndrome (HIV/AIDS) in a manner that allows these funds to be accounted for as State matching funds in the Department of Health and Human Services drawdown of federal Ryan White funds earmarked for the AIDS Drug Assistance Program also known as ADAP."

STUDY USE OF AIDS DRUG ASSISTANCE PROGRAM (ADAP) FUNDS TO PURCHASE HEALTH INSURANCE

SECTION 11E.8.(a) The Department of Health and Human Services, Division of Public Health, shall study the feasibility of creating within the North Carolina AIDS Drug Assistance Program (ADAP) a health insurance premium assistance program that utilizes federal funds from Part B of the Ryan White HIV/AIDS Program and ADAP funds to provide, on a case-by-case basis, premium and cost-sharing assistance for the purchase or maintenance of private health insurance coverage, including premiums, co-payments, and deductibles to eligible beneficiaries with the highest out-of-pocket costs for health insurance premiums, co-payments, and deductibles. In determining the feasibility of creating such a program, the Department shall plan for full compliance with federal Health Resources and Services Administration (HRSA) guidance, including the methodology used to do all of the following:

(1) Assess and compare the cost of providing prescription drugs to eligible beneficiaries through the health insurance premium assistance program created pursuant to this section versus the existing ADAP program.

(2) Ensure that insurance premium assistance program funds are used solely to pay for premium and cost-sharing assistance for the purchase or maintenance of private health insurance coverage that provides, at a minimum, prescription coverage equivalent to the formulary available under Part B of the Ryan White HIV/AIDS Program.

(3) Limit the total annual amount of funds expended for the health insurance premium assistance program authorized by this section to no more than the total annual cost of maintaining the same individuals on the existing ADAP program.

SECTION 11E.8.(b) By March 1, 2018, the Department shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the feasibility and cost of operating the program described in subsection (a) of this section, including any obstacles to implementation.

USE OF MODIFIED ADJUSTED GROSS INCOME (MAGI) FOR AIDS DRUG ASSISTANCE PROGRAM (ADAP) ELIGIBILITY DETERMINATIONS

SECTION 11E.9. Beginning January 1, 2018, the Department of Health and Human Services shall implement the use of the Modified Adjusted Gross Income formula in the calculation of income for the purpose of determining eligibility for the AIDS Drug Assistance Program in order to ensure consistency in the Department's methods of determining eligibility for other benefit programs.

TRANSFER OF ON-SITE WATER PROTECTION BRANCH TO DEPARTMENT OF ENVIRONMENTAL QUALITY & MODIFICATION OF BOARD OF ENVIRONMENTAL HEALTH SPECIALIST EXAMINERS

SECTION 11E.10.(a) The On-Site Water Protection Branch of the Environmental Health Section of the Division of Public Health within the Department of Health and Human Services is transferred to the Division of Water Resources within the Department of Environmental Quality, by a Type I transfer, as defined in G.S. 143A-6, where it will be known as the On-Site Water Protection Section.

SECTION 11E.10.(b) G.S. 90A-51 reads as rewritten:

"**§ 90A-51. Definitions.**

The words and phrases defined below shall when used in this Article have the following meaning unless the context clearly indicates otherwise:

...

(2a) "Environmental health practice" means the provision of environmental health services, including administration, organization, management, education, enforcement, and consultation regarding environmental health services provided to or for the public. These services are offered to prevent environmental hazards and promote and protect the health of the public in the following areas: food, lodging, and institutional sanitation; on-site wastewater treatment and disposal; public swimming pool sanitation; childhood lead poisoning prevention; well permitting and inspection; tattoo parlor sanitation; and all other areas of environmental health requiring the delegation of authority by the Division of Public Health of the Department of Health and Human Services or the On-Site Water Protection Section of the Division of Water Resources of the Department of Environmental Quality to State and local environmental health professionals to enforce rules adopted by the Commission for Public ~~Health.~~Health or the Environmental Management Commission. The definition also includes local environmental health professionals enforcing rules of local boards of health for on-site wastewater systems and wells.

...."

SECTION 11E.10.(c) G.S. 90A-55 reads as rewritten:

"**§ 90A-55. State Board of Environmental Health Specialist Examiners; appointment and term of office.**

(a) Board Membership. – The Board shall consist of ~~12~~ nine members who shall serve staggered terms: the Secretary of ~~Health and Human Services,~~ Environmental Quality or the Secretary's duly authorized representative, one public-spirited citizen, ~~one environmental sanitation educator from an accredited college or university, one local health director, a~~ one representative of the Division of Public Health of the Department of Health and Human Services, and ~~seven~~ six practicing environmental health ~~specialists~~ specialists, including one environmental sanitation educator from an accredited college or university and one local health director, who qualify by education and experience for registration under this ~~Article, six of whom~~ Article. The six members who are practicing environmental health specialists shall represent the Western, Piedmont, and Eastern Regions of the State as described more specifically in the rules adopted by the Board.

(b) Term of Office. – Each member of the State Board of Environmental Health Specialist Examiners shall be appointed by the Governor for a term of four years. As the term of each current member expires, the Governor shall appoint a successor in accordance with the provisions of this section. If a vacancy occurs on the Board for any other reason than the expiration of a member's term, the Governor shall appoint a successor for the remainder of the unexpired term. No person shall serve as a member of the Board for more than two consecutive four-year terms.

(c) The Environmental Health Section of the North Carolina Public Health Association, Inc., shall submit a recommended list of Board member candidates to the Governor for the Governor's consideration in appointments, except for the ~~two representatives~~ representative of the Department of Environmental Quality recommended by the Secretary of Environmental Quality, the representative of the Division of Public Health of the Department of Health and Human Services recommended by the Secretary of Health and Human ~~Services~~ Services, and the local health director recommended by the North Carolina Local Health Directors Association.

(d) The Governor may remove an appointee member for misconduct in office, incompetency, neglect of duty, or other sufficient cause."

SECTION 11E.10.(d) The terms of all members of the Board of Environmental Health Specialist Examiners shall expire on July 31, 2017. A new Board of nine members shall be appointed consistent with the requirements specified in G.S. 90A-55(a), as amended by subsection (c) of this section. Notwithstanding G.S. 90A-55(b), the initial term for the following persons appointed to the Board of Environmental Health Specialist Examiners shall be two years:

(1) One public-spirited citizen.

(2) One representative of the Division of Public Health of the Department of Health and Human Services.

(3) Three practicing environmental health specialists.

At the end of these initial two-year appointments, the term for their successors shall be four years. The remaining members of the Board shall be appointed for an initial term of four years, and the term for their successors shall be four years. Initial terms shall begin on August 1, 2017, and expire on July 31 of the year of expiration as set forth in this subsection.

SECTION 11E.10.(e) G.S. 90A-71 reads as rewritten:

"**§ 90A-71. Definitions.**

The following definitions apply in this Article:

…

(4) "Department" means the Department of ~~Health and Human Services.~~Environmental Quality.

…."

SECTION 11E.10.(f) G.S. 90A-81(b) reads as rewritten:

"(b) Arbitration. – The Board may establish a voluntary arbitration procedure to resolve complaints concerning a certified contractor or inspector or any work performed by a certified contractor or inspector, or conflicts involving any certified contractor or inspector and ~~the Division of Public Health of~~ the Department or a local health department."

SECTION 11E.10.(g) The following statutes are amended by deleting the language "Articles 9 and 10" wherever it appears and substituting "Articles 9, 10, and 11": G.S. 130A-4(c), 130A-17(b), 130A-18(b), 130A-19(b), 130A-20(b), and 130A-23(e).

SECTION 11E.10.(h) G.S. 130A-22(c) reads as rewritten:

"(c) The Secretary of Environmental Quality may impose an administrative penalty on a person who willfully violates Article 11 of this Chapter, rules adopted by the Commission pursuant to Article 11 or any condition imposed upon a permit issued under Article 11. An administrative penalty may not be imposed upon a person who establishes that neither the site nor the system may be improved or a new system installed so as to comply with Article 11 of this Chapter. Each day of a continuing violation shall constitute a separate violation. The penalty shall not exceed fifty dollars ($50.00) per day in the case of a wastewater collection, treatment and disposal system with a design daily flow of no more than 480 gallons or in the case of any system serving a single one-family dwelling. The penalty shall not exceed three hundred dollars ($300.00) per day in the case of a wastewater collection, treatment and disposal system with a design daily flow of more than 480 gallons which does not serve a single one-family dwelling."

SECTION 11E.10.(i) G.S. 130A-24(e) reads as rewritten:

"(e) The appeals procedures enumerated in this section shall apply to appeals concerning the enforcement of rules, the imposition of administrative penalties, or any other action taken by the Department of Environmental Quality pursuant to ~~Articles 8, 9, 10, 11, and 12~~ Articles 9, 10, and 11 of this Chapter."

SECTION 11E.10.(j) G.S. 130A-34.1(a) reads as rewritten:

"(a) The Local Health Department Accreditation Board is established within the North Carolina Institute for Public Health. The Board shall be composed of 17 members appointed by the Secretary of the Department of Health and Human Services as follows:

(1) Four shall be county commissioners recommended by the North Carolina Association of County Commissioners, and four shall be members of a local board of health as recommended by the Association of North Carolina Boards of Health.

(2) Three local health directors.

(3) ~~Three~~ Two staff members from the Division of Public ~~Health,~~ Health of the Department of Health and Human Services.

(3a) One staff member from the Environmental Health Section of the Division of Public Health of the Department of Health and Human Services, recommended by the Secretary of Environmental Quality.

(4) Repealed by Session Laws 2011-145, s. 13.3(zz), effective July 1, 2011.

(5) Three at large."

SECTION 11E.10.(k) G.S. 130A-334 reads as rewritten:

"**§ 130A-334. Definitions.**

The following definitions shall apply throughout this Article:

...

(1c) "Commission" means the Environmental Management Commission.

~~(1c)~~(1d) "Construction" means any work at the site of placement done for the purpose of preparing a residence, place of business or place of public assembly for initial occupancy, or subsequent additions or modifications which increase sewage flow.

~~(1d)~~(1e) "Construction observation" means the visual observation of the construction and installation of the wastewater system for general conformance with the construction documents prepared by the professional engineer who designed the wastewater system. Construction observation that is conducted by the professional engineer who designed the wastewater system does not include or waive the requirement to conduct special inspections.

~~(1e)~~(1f) "Conventional wastewater system" has the same meaning as in G.S. 130A-343.

~~(1f)~~(1g) "Department" means the Department of ~~Health and Human Services.~~Environmental Quality.

~~(1g)~~(1h) "Engineered option permit" means an on-site wastewater system that is permitted pursuant to the rules adopted by the Commission in accordance with this Article, meets the criteria established by G.S. 130A-336.1, and is designed by a professional engineer who is licensed under Chapter 89C of the General Statutes who has expertise in the design of on-site wastewater systems.

~~(1h)~~(1i) "Ground absorption system" means a system of tanks, treatment units, nitrification fields, and appurtenances for wastewater collection, treatment, and subsurface disposal.

...

(10a) "Secretary" means the Secretary of ~~Health and Human Services.~~Environmental Quality.

...."

SECTION 11E.10.(*l*) G.S. 130A-335(b) reads as rewritten:

"(b) ~~All wastewater~~ Wastewater systems including all of the following shall ~~either (i)~~ be regulated by the Department under rules adopted by the ~~Commission or (ii) conform with the engineered option permit criteria set forth in G.S. 130A-336.1 and under rules adopted by the Commission except for the following wastewater systems that shall be regulated by the Department under rules adopted by the Environmental Management~~ Commission:

(1) Wastewater collection, treatment, and disposal systems designed to discharge effluent to the land surface or surface waters.

(2) Wastewater systems designed for groundwater remediation, groundwater injection, or landfill leachate collection and disposal.

(3) Wastewater systems designed for the complete recycle or reuse of industrial process wastewater.

(4) Gray water systems as defined in G.S. 143-350."

SECTION 11E.10.(m) G.S. 130A-335(h) reads as rewritten:

"(h) Except as provided in this subsection, a chemical or portable toilet may be placed at any location where the chemical or portable toilet can be operated and maintained under sanitary conditions. A chemical or portable toilet shall not be used as a replacement or substitute for a water closet or urinal where a water closet or urinal connected to a permanent wastewater treatment system is required by the North Carolina State Building Code, except that a chemical or portable toilet may be used to supplement a water closet or urinal during periods of peak use. A chemical or portable toilet shall not be used as an alternative to the repair of a water closet, urinal, or wastewater treatment system. It shall be unlawful to discharge sewage or other waste from a chemical or portable toilet used for human waste except into a wastewater system that has been approved by the Department under rules adopted by the Commission ~~or by the Environmental Management Commission~~ or at a site that is permitted by the Department under G.S. 130A-291.1."

SECTION 11E.10.(n) G.S. 130A-336(d) reads as rewritten:

"(d) If a local health department repeatedly fails to issue or deny improvement permits for conventional or accepted septic tank systems within 60 days, or within 90 days for provisional or innovative systems, after receiving completed applications for the permits, then the Department ~~of Health and Human Services~~ may withhold public health funding from that local health department."

SECTION 11E.10.(o) G.S. 130A-336.1(r) reads as rewritten:

"(r) Reports. – The Department shall report to the Environmental Review Commission and the ~~Joint Legislative Oversight Committee on Health and Human Services~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on or before January 1, 2017, and annually thereafter, on the implementation and effectiveness of this section. For the report due on or before January 1, 2017, the Department shall specifically study (i) whether the engineered option permit resulted in a reduction in the length of time improvement permits or authorizations to construct are pending; (ii) whether the engineered option permit resulted in increased system failures or other adverse impacts; (iii) if the engineered option permit resulted in new or increased environmental or public health impacts; (iv) an amount of errors and omissions insurance or other liability sufficient for covering professional engineers, licensed soil scientists, licensed geologists, and contractors who employ the engineered option permit; and (v) the fees charged by local health departments to administer the engineered option permit pursuant to subsection (n) of this section. The Department may include recommendations, including any legislative proposals, in its reports to the Commission and Committee."

SUBPART XI-F. DIVISION OF MH/DD/SAS AND STATE OPERATED HEALTHCARE FACILITIES

FUNDS FOR THE NORTH CAROLINA CHILD TREATMENT PROGRAM

SECTION 11F.1.(a) The title to Part 4 of Article 3 of Chapter 143B of the General Statutes reads as rewritten:

"Part 4. ~~Commission for~~ Mental Health, Developmental Disabilities, and Substance Abuse Services."

SECTION 11F.1.(b) Part 4 of Article 3 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-150.1. Use of funds for North Carolina Child Treatment Program.**

(a) State funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the North Carolina Child Treatment Program shall be used exclusively for the following purposes:

(1) To continue to provide clinical training and coaching to licensed clinicians on an array of evidence-based treatments and to provide a statewide platform to assure accountability and measurable outcomes.

(2) To maintain and manage a public roster of program graduates, linking high-quality clinicians with children, families, and professionals.

(3) To partner with leadership within the State, local management entities/managed care organizations as defined in G.S. 122C-3, and the private sector to bring effective mental health treatment to children in juvenile justice and mental health facilities.

(b) All data, including any entered or stored in the State-funded secure database developed for the North Carolina Child Treatment Program to track individual-level and aggregate-level data with interface capability to work with existing networks within State agencies, is and remains the sole property of the State."

SINGLE-STREAM FUNDING FOR MH/DD/SAS COMMUNITY SERVICES

SECTION 11F.2.(a) For the purpose of mitigating cash flow problems that many local management entities/managed care organizations (LME/MCOs) experience at the beginning of each fiscal year relative to single-stream funding, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS), shall distribute not less than one-twelfth of each LME/MCO's base budget allocation at the beginning of the fiscal year and subtract the amount of that distribution from the LME/MCO's total reimbursements for the fiscal year. For each month of the fiscal year after July, the DMH/DD/SAS shall distribute, on the third working day of the month, one-eleventh of the amount of each LME/MCO's single-stream allocation that remains after subtracting the amount of the distribution that was made to the LME/MCO in July of the fiscal year.

SECTION 11F.2.(b) The DMH/DD/SAS is directed to reduce its allocation for single-stream funding by thirty-six million seven hundred eighty-five thousand nine hundred thirty-one dollars ($36,785,931) in recurring funds and by thirty-two million six hundred fifty-seven thousand nine hundred seventy-seven dollars ($32,657,977) in nonrecurring funds for the 2017-2018 fiscal year and by sixty-seven million seven hundred thirteen thousand nine hundred sixty-six dollars ($67,713,966) in recurring funds and thirty-three million seven hundred sixty-six thousand six hundred fifty-five dollars ($33,766,655) in nonrecurring funds for the 2018-2019 fiscal year.

The DMH/DD/SAS shall allocate these recurring and nonrecurring reductions for single-stream funding among the LME/MCOs as follows:

	FY 2017-2018	**FY 2018-2019**
Alliance Behavioral Healthcare		
Recurring	($9,997,565)	($18,403,089)
Nonrecurring	($5,245,815)	($5,423,901)
Cardinal Innovations Healthcare		
Recurring	($9,137,138)	($16,819,252)
Nonrecurring	($8,409,102)	($8,694,575)
Eastpointe		
Recurring	($2,870,008)	($5,282,988)
Nonrecurring	($3,357,933)	($3,471,929)
Partners Behavioral Health Management		
Recurring	($2,519,629)	($4,638,025)
Nonrecurring	($3,895,112)	($4,027,344)
Sandhills Center		
Recurring	($9,117,470)	($16,783,049)
Nonrecurring	($5,238,820)	($5,416,668)
Trillium Health Resources		
Recurring	($1,449,436)	($2,668,060)
Nonrecurring	($3,152,839)	($3,259,872)
Vaya Health		
Recurring	($1,694,685)	($3,119,503)
Nonrecurring	($3,358,356)	($3,472,366)
TOTALS		

Recurring	($36,785,931)	($67,713,966)
Nonrecurring	($32,657,977)	($33,766,655)

By March 1, 2018, the Secretary of Health and Human Services shall submit to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division a proposal for any adjustments to the specified recurring reductions among the LME/MCOs for future fiscal years. The proposal must include a detailed explanation supporting any proposed changes.

During each year of the 2017-2019 fiscal biennium, each LME/MCO shall offer at least the same level of service utilization as during the 2014-2015 fiscal year.

SECTION 11F.2.(c) The Department of Health and Human Services shall continue to use the monthly reporting package submitted by the LME/MCOs to the Department, as modified pursuant to Section 12F.2(c) of S.L. 2015-241, to include revenues and expenditures for the State funding sources for single-stream, intellectual and developmental disability, and substance abuse services on Schedule D2. Additionally, the Department shall continue to use appropriate schedules in the LME/MCO monthly reporting package, as modified pursuant to Section 12F.2(c) of S.L. 2015-241, to include unduplicated recipients and encounters in the same level of detail included in each D schedule for each source of funding for the reporting for the current and previous year's month and year-to-date periods. The Department shall continue to submit these reports to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by the third Monday of each month.

SECTION 11F.2.(d) If, on or after June 1, 2018, the Office of State Budget and Management (OSBM) certifies a Medicaid budget surplus in funds 1310 and 1311 and sufficient cash in Budget Code 14445 to meet total obligations for the 2017-2018 fiscal year, then the Department of Health and Human Services, Division of Medical Assistance (DMA), may transfer to the DMH/DD/SAS funds not to exceed the amount of the certified surplus or thirty million dollars ($30,000,000), whichever is less, to offset the reduction in single-stream funding required by this section.

If, on or after June 1, 2019, the OSBM certifies a Medicaid budget surplus in funds 1310 and 1311 and sufficient cash in Budget Code 14445 to meet total obligations for fiscal year 2018-2019, then the DMA may transfer to the DMH/DD/SAS funds not to exceed the amount of the certified surplus or thirty million dollars ($30,000,000), whichever is less, to offset the reduction in single-stream funding required by this section.

The DMH/DD/SAS shall allocate funds transferred pursuant to this subsection among the LME/MCOs based on the individual LME/MCO's percentage of nonrecurring reductions in single-stream funding for the fiscal year, as required by subsection (b) of this section. These funds shall be allocated as prescribed by June 30 of each State fiscal year.

SECTION 11F.2.(e) The Department of Health and Human Services shall develop a maintenance of effort (MOE) spending requirement for all mental health and substance abuse services which must be maintained using nonfederal, State appropriations on an annual basis in order to meet MOE requirements for federal block grant awards. LME/MCOs shall ensure the MOE spending requirement is met using State appropriations.

SECTION 11F.2.(f) Beginning July 1, 2017, and quarterly thereafter, the Secretary of Health and Human Services shall evaluate the financial position of each LME/MCO relative to the solvency standards to be developed by the Department and included in the statewide Strategic Plan for Behavioral Health Services pursuant to Section 12F.10(b)(4) of S.L. 2016-94 (approved solvency standards).

If, at any time, the Secretary determines an LME/MCO is at risk of failing financially in the ensuing two-year period, based on the approved solvency standards, the Secretary shall immediately meet with that LME/MCO for the purpose of evaluating the reasons for the LME/MCO's vulnerable financial position, including reasons attributable to

trends in performance management and utilization of services. Within 30 days after meeting with an LME/MCO pursuant to this section, the Secretary shall submit a written report of its evaluation to the LME/MCO. By October 1, 2017, the Secretary shall submit an initial report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on each LME/MCO determined to be at risk of failing financially, identifying the reasons for each LME/MCO's vulnerable financial position.

Within 45 days after receiving the Secretary's report, the LME/MCO shall develop and submit to the Secretary, in writing, a proposed plan of corrective action with specific initiatives and actions to be implemented by the LME/MCO in order to bring its financial position into compliance with the approved solvency standards, along with a projected time line for completing each identified initiative or action and a deadline for achieving full compliance with the approved solvency standards. At a minimum, the proposed plan of corrective action shall address (i) rates paid to the LME/MCO and its providers for services, contracts, and administrative costs; (ii) utilization of services; (iii) management of the operations of the LME/MCO; and (iv) financial risk to the State.

Within 14 days after receiving the LME/MCO's proposed plan of corrective action, the Secretary shall make any changes to the proposed plan of corrective action it deems necessary for the LME/MCO to bring its financial position into compliance with the approved solvency standards and submit a final, Secretary-approved plan of corrective action to the LME/MCO, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division.

The LME/MCO shall submit monthly reports to the Secretary on its progress under the final, Secretary-approved plan of corrective action. The Secretary shall submit monthly reports to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division evaluating the LME/MCO's progress under the final, Secretary-approved plan of corrective action, identifying any variance from the corrective plan of action that could be an obstacle to the LME/MCO achieving full compliance with the approved solvency standards by the deadline included in the final, Secretary-approved corrective plan of action.

FUNDS FOR LOCAL INPATIENT PSYCHIATRIC BEDS OR BED DAYS

SECTION 11F.3.(a) Use of Funds. – Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for crisis services, the sum of thirty-eight million eight hundred fifty-one thousand six hundred forty-four dollars ($38,851,644) in recurring funds and two million five hundred thousand dollars ($2,500,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of thirty-eight million eight hundred fifty-one thousand six hundred forty-four dollars ($38,851,644) in recurring funds and two million five hundred thousand dollars ($2,500,000) in nonrecurring funds for the 2018-2019 fiscal year shall be used to purchase additional new or existing local inpatient psychiatric beds or bed days not currently funded by or though LME/MCOs. The Department shall continue to implement a two-tiered system of payment for purchasing these local inpatient psychiatric beds or bed days based on acuity level with an enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels, as defined by the Department. The enhanced rate of payment for inpatient psychiatric beds or bed days for individuals with higher acuity levels shall not exceed the lowest average cost per patient bed day among the State psychiatric hospitals. In addition, at the discretion of the Secretary of Health and Human Services, existing funds allocated to LME/MCOs for community-based mental health, developmental disabilities, and substance abuse services may be used to purchase additional local inpatient psychiatric beds or bed days. Funds designated in this subsection for the purchase of local inpatient psychiatric beds or bed days shall not be used to supplant other funds appropriated or otherwise

available to the Department for the purchase of inpatient psychiatric services through contracts with local hospitals.

SECTION 11F.3.(b) Distribution and Management of Beds or Bed Days. – Except as provided in this subsection, the Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, as defined in this subsection. In addition, the Department shall work to ensure that any local inpatient psychiatric beds or bed days purchased in accordance with this section are distributed across the State in LME/MCO catchment areas and according to need as determined by the Department. The Department shall ensure that beds or bed days for individuals with higher acuity levels are distributed across the State in LME catchment areas, including any catchment areas served by managed care organizations, and according to greatest need based on hospital bed utilization data. The Department shall enter into contracts with LME/MCOs and local hospitals for the management of these beds or bed days. The Department shall work to ensure that these contracts are awarded equitably around all regions of the State. LME/MCOs shall manage and control these local inpatient psychiatric beds or bed days, including the determination of the specific local hospital or State psychiatric hospital to which an individual should be admitted pursuant to an involuntary commitment order.

The Department may use up to ten percent (10%) of the funds allocated in this section for each year of the 2017-2019 fiscal biennium to pay for facility-based crisis services and non-hospital detoxification services for individuals in need of these services, regardless if the individuals are medically indigent, defined as uninsured persons who (i) are financially unable to obtain private insurance coverage as determined by the Department and (ii) are not eligible for government-funded health coverage such as Medicare or Medicaid.

SECTION 11F.3.(c) Funds to Be Held in Statewide Reserve. – Funds appropriated to the Department for the purchase of local inpatient psychiatric beds or bed days shall not be allocated to LME/MCOs but shall be held in a statewide reserve at the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to pay for services authorized by the LME/MCOs and billed by the hospitals through the LME/MCOs. LME/MCOs shall remit claims for payment to the Department within 15 working days after receipt of a clean claim from the hospital and shall pay the hospital within 30 working days after receipt of payment from the Department.

SECTION 11F.3.(d) Ineffective LME/MCO Management of Beds or Bed Days. – If the Department determines that (i) an LME/MCO is not effectively managing the beds or bed days for which it has responsibility, as evidenced by beds or bed days in the local hospital not being utilized while demand for services at the State psychiatric hospitals has not decreased, or (ii) the LME/MCO has failed to comply with the prompt payment provisions of subsection (c) of this section, the Department may contract with another LME/MCO to manage the beds or bed days or, notwithstanding any other provision of law to the contrary, may pay the hospital directly.

SECTION 11F.3.(e) Reporting by LME/MCOs. – The Department shall establish reporting requirements for LME/MCOs regarding the utilization of these beds or bed days.

SECTION 11F.3.(f) Reporting by Department. – By no later than December 1, 2018, and by no later than December 1, 2019, the Department shall report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on all of the following:

(1) A uniform system for beds or bed days purchased during the preceding fiscal year from (i) funds appropriated in this act that are designated for this purpose in subsection (a) of this section, (ii) existing State appropriations, and (iii) local funds.

(2) An explanation of the process used by the Department to ensure that, except as otherwise provided in subsection (a) of this section, local inpatient psychiatric beds or bed days purchased in accordance with this section are utilized solely for individuals who are medically indigent, along with the number of medically indigent individuals served by the purchase of these beds or bed days.

(3) The amount of funds used to pay for facility-based crisis services, along with the number of individuals who received these services and the outcomes for each individual.

(4) The amount of funds used to pay for non-hospital detoxification services, along with the number of individuals who received these services and the outcomes for each individual.

(5) Other Department initiatives funded by State appropriations to reduce State psychiatric hospital use.

USE OF FUNDS TO PURCHASE INPATIENT ALCOHOL AND SUBSTANCE USE DISORDER TREATMENT SERVICES

SECTION 11F.4. Section 12F.12(b) of S.L. 2015-241 reads as rewritten:

"**SECTION 12F.12.(b)** From funds appropriated ~~in this act~~ to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, to be allocated to LME/MCOs for the purchase of inpatient alcohol and substance abuse treatment services, the LME/MCOs shall use their respective fund allocations for individuals within their respective catchment areas as follows:

(1) During the 2015-2016 fiscal year, a minimum of one hundred percent (100%) of the allocation shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs.

(2) During the 2016-2017 fiscal year, a minimum of ninety percent (90%) of the allocation shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs. The LME/MCOs shall use the remaining ten percent (10%) of their respective allocations to purchase inpatient alcohol and substance abuse treatment services from any qualified provider.

(2a) During the 2017-2018 fiscal year, a minimum of eighty-six percent (86%) of the allocation shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs in order to increase the availability of services through the ADATCs to individuals in need of inpatient opioid treatment. The LME/MCOs shall use any remaining allocations to purchase inpatient alcohol and substance abuse treatment services from any qualified provider.

(3) In subsequent fiscal years, the minimum required percentage of the allocation that shall be used exclusively to purchase inpatient alcohol and substance abuse treatment services from the ADATCs shall decrease by ten percentage points each fiscal year after the ~~2016-2017~~2017-2018 fiscal year until it reaches zero percent (0%). The minimum required percentage of the allocation remaining that shall be used to purchase inpatient alcohol and substance abuse treatment services from any qualified provider shall increase by ten percentage points each fiscal year after the ~~2016-2017~~2017-2018 fiscal year until it reaches one hundred percent (100%). As used in this subdivision, the "minimum required percentage" means the percentage calculated pursuant to this subsection and not a

percentage based on the actual amount of funds expended by the Department during that fiscal year."

PURCHASE OF ADDITIONAL PSYCHIATRIC AND FACILITY-BASED CRISIS BEDS WITH DOROTHEA DIX HOSPITAL PROPERTY FUNDS

SECTION 11F.5.(a) It is the intent of the General Assembly to increase inpatient behavioral health bed capacity in rural areas of the State with the highest need. Toward that end, of the funds appropriated from the Dorothea Dix Hospital Property Fund established under G.S. 143C-9-2(b1) to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2017-2018 fiscal year:

(1) The sum of up to one million eight hundred thousand dollars ($1,800,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with the construction of new licensed inpatient behavioral health beds at the Dix Crisis Intervention Center in Onslow County.

(2) The remaining sum of at least six million two hundred thousand dollars ($6,200,000) in nonrecurring funds shall be used to pay for any renovation or building costs associated with the following:

a. The construction of new licensed inpatient behavioral health beds.

b. The conversion of existing inpatient acute care beds into licensed inpatient behavioral health beds.

c. A combination of subdivision (1) of this subsection and this subdivision.

SECTION 11F.5.(b) The Secretary shall select hospitals in the three State regions for institutional services (Eastern Region, Central Region, and Western Region) to receive funds allocated under subdivision (2) of subsection (a) of this section for the construction, conversion, or both of inpatient behavioral health beds in rural areas of the State. Notwithstanding the State Medical Facilities Plan, Article 9 of Chapter 131E of the General Statutes, or any other provision of law to the contrary, each facility that receives funds allocated under subsection (a) of this section shall be allowed to construct new or convert unused acute care beds into licensed, inpatient behavioral health beds without undergoing certificate of need review by the Division of Health Service Regulation. All newly constructed or converted beds shall be subject to existing licensure laws and requirements. As a condition of receiving these funds, each selected rural hospital shall reserve at least fifty percent (50%) of the constructed or converted beds for (i) purchase by the Department under the State-administered, three-way contract and (ii) referrals by local management entities/managed care organizations (LME/MCOs) of individuals who are indigent or Medicaid recipients. Any hospital unit or other location with inpatient behavioral health beds constructed or converted with funds allocated under subsection (a) of this section shall be named in honor of Dorothea Dix.

SECTION 11F.5.(c) Beginning November 1, 2018, the Department of Health and Human Services shall annually report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number and location of additional licensed inpatient behavioral health beds brought into operation with funds allocated under subsection (a) of this section. By December 1, 2020, the Department shall submit a report that includes a proposal for funding the recurring operating costs of these additional beds from a source or sources other than the Dorothea Dix Hospital Property Funds, including the identification of potential new funding sources.

SECTION 11F.5.(d) It is the intent of the General Assembly to continue to increase the number of facility-based crisis centers in North Carolina for children and adolescents. Toward that end, of the funds appropriated from the Dorothea Dix Hospital

Property Fund established under G.S. 143C-9-2(b1) to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2017-2018 fiscal year, the sum of two million dollars ($2,000,000) in nonrecurring funds shall be used to award grants on a competitive basis for the establishment of up to two new facility-based crisis centers in the State for children and adolescents. The Department shall establish a process for applying for these grants, criteria for evaluating applications, and a process for allocating grants.

SECTION 11F.5.(e) Any funds allocated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, from the Dorothea Dix Hospital Property Fund established under G.S. 143C-9-2(b1) pursuant to Section 12F.4 of S.L. 2016-94 for the 2016-2017 fiscal year that are not expended or encumbered as of June 30, 2017, shall remain in the Dorothea Dix Hospital and Property Fund.

SECTION 11F.5.(f) Any funds allocated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, from the Dorothea Dix Hospital Property Fund established under G.S. 143C-9-2(b1) pursuant to this section for the 2017-2018 fiscal year that are not expended or encumbered as of June 30, 2019, shall remain in the Dorothea Dix Hospital Property Fund.

ADDITIONS TO THE STRATEGIC PLAN FOR IMPROVEMENT OF BEHAVIORAL HEALTH SERVICES

SECTION 11F.6.(a) Section 12F.10(b) of S.L. 2016-94 reads as rewritten:

"**SECTION 12F.10.(b)** By January 1, 2018, the Department of Health and Human Services shall develop and submit to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division a strategic statewide plan to improve the efficiency and effectiveness of State-funded behavioral health services. In developing the plan, the Department shall review and consider its past and current studies, and associated reports, relating to behavioral health services in the State. The plan shall include at least all of the following:

...

(5) Any other ~~component~~component, study, or report that the Department deems necessary to achieve the goal of improving the effective and efficient delivery and coordination of publicly funded behavioral health services across the State."

SECTION 11F.6.(b) Section 12F.10 of S.L. 2016-94 is amended by adding a new subsection to read:

"**SECTION 12F.10.(b1)** In the development of the strategic statewide plan, required under subsection (b) of this section, the Department of Health and Human Services shall consider policy issues pertaining to the delivery of services for people with intellectual and developmental disabilities. Consideration shall be given to all of the following:

(1) The causes and potential solutions for the growing waitlist for NC Innovations Waiver slots. Potential solutions to be studied include the following:

a. Increasing the funding for the 1915(c) Innovations Waiver to result in more individuals served.

b. Creating new support waiver slots as recommended in the March 2015 "Study Additional 1915(c) Waiver" report from the Department of Health and Human Services, Division of Medical Assistance, to the Joint Legislative Oversight Committee on Health and Human Services.

c. Utilizing a 1915(i) waiver option and exploring how the 1115 waiver required for Medicaid transformation may assist in addressing current waitlist for services.

(2) Issues surrounding single-stream funding and how single-stream funding is used to support services for people with intellectual and developmental disabilities.

(3) Multiple federal mandates that will directly impact current services and supports for people with intellectual and developmental disabilities, including Home and Community-Based Services changes, the Work Force Innovations and Opportunities Act, and changes under section 14(c) of the federal Fair Labor Standards Act.

(4) The coverage of services for the treatment of autism, including any State Plan amendment needed to address guidance issued by the Centers for Medicare and Medicaid Services."

MENTAL HEALTH/SUBSTANCE USE DISORDER CENTRAL ASSESSMENT AND NAVIGATION SYSTEM PILOT PROGRAM

SECTION 11F.7.(a) Pilot Program Creation. – Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two hundred fifty thousand dollars ($250,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of two hundred fifty thousand dollars ($250,000) in nonrecurring funds for the 2018-2019 fiscal year shall be used to oversee, in consultation with the local management entity/managed care organization (LME/MCO) responsible for the management and provision of mental health, developmental disabilities, and substance use disorder services in New Hanover County under the 1915(b)/(c) Medicaid Waiver, the establishment of a two-year pilot program to focus on assessing and navigating individuals seeking mental health or substance use disorder services, or both, to appropriate community-based services or other community resources in order to reduce the utilization of hospital emergency department services for mental health and substance use disorder services.

SECTION 11F.7.(b) Program Design and Location. – The pilot program shall be conducted at New Hanover Regional Medical Center (NHRMC) and at Wellness City, operated by Recovery Innovations, Inc., by a three-person centralized team. The three-person team shall consist of the following individuals:

(1) A master's level, fully licensed clinician to perform comprehensive clinical assessments of NHRMC patients and other New Hanover County residents exhibiting symptoms of mental illness or substance use disorder who are referred to the pilot program.

(2) A qualified professional to assist patients, particularly those with a completed comprehensive clinical assessment, with identifying and accessing appropriate community-based services or other community resources.

(3) A North Carolina certified peer support specialist, with specialized training and personal experience in successfully managing his or her own serious mental illness or substance use disorder, to provide peer support services, including encouraging patients to take personal responsibility for managing their condition, assisting patients in establishing meaningful roles in society, and providing patients with transportation to and from appointments.

SECTION 11F.7.(c) Reports. – By July 1, 2018, the LME/MCO responsible for the management and provision of mental health, developmental disabilities, and substance abuse services in New Hanover County, in collaboration with New Hanover Regional Medical

Center and Recovery Innovations, Inc., shall submit an interim report on the effectiveness of the pilot program to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (Division). By October 1, 2018, the Division shall submit an interim report on the effectiveness of the program and the costs associated with administering the program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

By July 1, 2019, the LME/MCO responsible for the management and provision of mental health, developmental disabilities, and substance abuse services in New Hanover County, in collaboration with New Hanover Regional Medical Center and Recovery Innovations, Inc., shall submit a final report of the program to the Division. By October 1, 2019, the Division shall then submit a final report of the program to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The report shall include the Division's recommendations with respect to sustaining or expanding the program.

TRAUMATIC BRAIN INJURY FUNDING

SECTION 11F.8. Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of two million three hundred seventy-three thousand eighty-six dollars ($2,373,086) for the 2017-2018 fiscal year and the sum of two million three hundred seventy-three thousand eighty-six dollars ($2,373,086) for the 2018-2019 fiscal year shall be used exclusively to support traumatic brain injury (TBI) services as follows:

(1) The sum of three hundred fifty-nine thousand two hundred eighteen dollars ($359,218) shall be used to fund contracts with the Brain Injury Association of North Carolina, Carolinas Rehabilitation, or other appropriate service providers.

(2) The sum of seven hundred ninety-six thousand nine hundred thirty-four dollars ($796,934) shall be used to support residential programs across the State that are specifically designed to serve individuals with TBI.

(3) The sum of one million two hundred sixteen thousand nine hundred thirty-four dollars ($1,216,934) shall be used to support requests submitted by individual consumers for assistance with residential support services, home modifications, transportation, and other requests deemed necessary by the consumer's local management entity and primary care physician.

ADULT AND PEDIATRIC TRAUMATIC BRAIN INJURY PILOT PROGRAM

SECTION 11F.9.(a) Of the funds appropriated to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of one hundred fifty thousand dollars ($150,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of three hundred thousand dollars ($300,000) in nonrecurring funds for the 2018-2019 fiscal year shall be used to develop and implement an adult and pediatric traumatic brain injury pilot program. The purpose of the pilot program is to increase compliance with internationally approved evidence-based treatment guidelines for severe adult and pediatric traumatic brain injury in order to reduce patient mortality, improve patient level of recovery, and reduce long-term care costs.

SECTION 11F.9.(b) The Department of Health and Human Services shall establish up to three program sites to implement the adult and pediatric traumatic brain injury pilot program authorized by this section, all of which shall be trauma hospitals. Each program site shall be awarded up to one hundred thousand dollars ($100,000) for the development and implementation of an interactive quality assessment and quality assurance clinical decision

support tool to provide real-time, evidence-based medical care guidance for intensive care unit patients with severe adult or pediatric traumatic brain injury.

SECTION 11F.9.(c) The Department of Health and Human Services shall contract with a private entity to assist participating trauma hospitals in implementing the tool described in subsection (b) of this section. In providing such implementation assistance, the private entity shall utilize the treatment guidelines and practice recommendations that have been peer reviewed and approved by the American Association of Neurological Surgeons and are recognized as the current standard of care for individuals with severe traumatic brain injury.

SECTION 11F.9.(d) By February 1, 2018, the Department of Health and Human Services shall submit a progress report on the development and implementation of the pilot program authorized by this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

SECTION 11F.9.(e) By January 7, 2019, the Department of Health and Human Services shall submit a final report of the pilot program authorized by this section to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. At a minimum, the final report shall include all of the following:

(1) The number and outcome of patients served at each program site, broken down by patient age and county of origin.
(2) A breakdown of expenditures at each program site by type of service.
(2) An estimate of the cost to expand the program incrementally and statewide.
(3) An estimate of any potential savings of State funds associated with expansion of the program.
(4) If expansion of the program is recommended, a time line for expanding the program.

EXPANSION AND RENAMING OF PRESCRIPTION DRUG ABUSE ADVISORY COMMITTEE

SECTION 11F.10. Subsections (m) through (q) of Section 12F.16 of S.L. 2015-241 are codified as G.S. 90-113.75A and read as rewritten:

"**§ 90-113.75A. Opioid and Prescription Drug Abuse Advisory Committee; statewide strategic plan.**

(a) There is hereby created the Opioid and Prescription Drug Abuse Advisory Committee, to be housed in and staffed by the ~~Department of Health and Human Services (DHHS).~~Department. The Committee shall develop and, through its members, implement a statewide strategic plan to combat the problem of opioid and prescription drug abuse. The Committee shall include representatives from the following, as well as any other persons designated by the Secretary of Health and Human Services:

(1) The Department's Division of Medical ~~Assistance, DHHS.~~Assistance.
(2) The Department's Division of Mental Health, Developmental Disabilities, and Substance Abuse ~~Services, DHHS.~~Services.
(3) The Department's Division of Public ~~Health, DHHS.~~Health.
(4) The Rural Health Section of the Department's Division of Public ~~Health, DHHS.~~Health.
(4a) The Divisions of Adult Correction and Juvenile Justice of the Department of Public Safety.
(5) The State Bureau of Investigation.
(6) The Attorney General's Office.
(7) The following health care regulatory boards with oversight of prescribers and dispensers of opioids and other prescription drugs:
  a. North Carolina Board of Dental Examiners.
  b. North Carolina Board of Nursing.

c. North Carolina Board of Podiatry Examiners.
d. North Carolina Medical Board.
e. North Carolina Board of Pharmacy.

(8) The UNC Injury Prevention Research Center.
(9) The substance abuse treatment community.
(10) Governor's Institute on Substance Abuse, Inc.
(11) The Department of Insurance's drug take-back program.

After developing the strategic plan, the Committee shall be the State's steering committee to monitor achievement of strategic objectives and receive regular reports on progress made toward reducing opioid and prescription drug abuse in North Carolina.

(b) In developing the statewide strategic plan to combat the problem of opioid and prescription drug abuse, the Opioid and Prescription Drug Abuse Advisory Committee shall, at a minimum, complete the following steps:

(1) Identify a mission and vision for North Carolina's system to reduce and prevent opioid and prescription drug abuse.
(2) Scan the internal and external environment for the system's strengths, weaknesses, opportunities, and challenges (a SWOC analysis).
(3) Compare threats and opportunities to the system's ability to meet challenges and seize opportunities (a GAP analysis).
(4) Identify strategic issues based on SWOC and GAP analyses.
(5) Formulate strategies and resources for addressing these issues.

(c) The strategic plan for reducing opioid and prescription drug abuse shall include three to five strategic goals that are outcome-oriented and measureable. Each goal must be connected with objectives supported by the following five mechanisms of the system:

(1) Oversight and regulation of prescribers and dispensers by State health care regulatory boards.
(2) Operation of the Controlled Substances Reporting System.
(3) Operation of the Medicaid lock-in program to review behavior of patients with high use of prescribed controlled substances.
(4) Enforcement of State laws for the misuse and diversion of controlled substances.
(5) Any other appropriate mechanism identified by the Committee.

(d) ~~DHHS,~~ The Department, in consultation with the Opioid and Prescription Drug Abuse Advisory Committee, shall develop and implement a formalized performance management system that connects the goals and objectives identified in the statewide strategic plan to operations of the Controlled Substances Reporting System and Medicaid lock-in program, law enforcement activities, and oversight of prescribers and dispensers. The performance management system must be designed to monitor progress toward achieving goals and objectives and must recommend actions to be taken when performance falls short.

(e) Beginning on December 1, 2016, and annually thereafter, ~~DHHS~~ the Department shall submit an annual report on the performance of North Carolina's system for monitoring opioid and prescription drug abuse to the Joint Legislative Oversight Committee on Health and Human ~~Services and~~ Services, the Joint Legislative Oversight Committee on Justice and Public ~~Safety.~~Safety, and the Fiscal Research Division."

STUDY CONTINUING EDUCATION FOR HEALTH CARE PROVIDERS LICENSED TO PRESCRIBE CONTROLLED SUBSTANCES

SECTION 11F.11.(a) By December 1, 2017, the North Carolina Area Health Education Centers Program is encouraged to report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the feasibility of providing a continuing education course for health care providers licensed to prescribe

controlled substances in this State. The course shall include instruction on at least all of the following:

(1) Controlled substance prescribing practices.
(2) Controlled substance prescribing for chronic pain management.
(3) Misuse and abuse of controlled substances.

SECTION 11F.11.(b) This section is effective when this act becomes law.

CLOSURE OF WRIGHT SCHOOL

SECTION 11F.12.(a) The Department of Health and Human Services shall not allow any new admissions or readmissions to the Wright School after June 30, 2017. The Department shall, in consultation with local management entities/managed care organizations, develop a plan to transition all students enrolled at the Wright School to other appropriate educational and treatment settings.

SECTION 11F.12.(b) By September 30, 2017, the Department shall permanently cease operations at the Wright School.

SECTION 11F.12.(c) G.S. 122C-181(a)(5)b. is repealed effective October 1, 2017.

BROUGHTON HOSPITAL LITIGATION COSTS RELATED TO CONSTRUCTION DELAYS

SECTION 11F.13. Funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for Broughton Hospital, in the sum of three million five hundred thousand dollars ($3,500,000) in nonrecurring funds for each year of the 2017-2019 fiscal biennium shall be used to offset the following costs arising from delays in the construction of the new Broughton Hospital:

(1) Litigation costs resulting from anticipated or pending litigation against private third parties. The Secretary of the Department of Health and Human Services may retain private legal counsel to represent the interest of the State in such litigation, as provided in G.S. 147-17(c1), as amended by this act, and G.S. 114-2.3(d), as amended by this act.
(2) Costs related to design changes, technology changes, continued use of the existing hospital, staffing, and other costs directly related to the delays in construction.
(3) Costs to equip the new hospital.
(4) Administrative costs.

SUBPART XI-G. DIVISION OF HEALTH SERVICE REGULATION

FUNDS TO CONTINUE NEW HANOVER REGIONAL EMERGENCY MEDICAL SERVICES COMMUNITY PARAMEDICINE PILOT PROGRAM

SECTION 11G.1.(a) Of the funds appropriated in this act to the Department of Health and Human Services, Division of Health Service Regulation, the sum of two hundred ten thousand dollars ($210,000) in nonrecurring funds for the 2017-2018 fiscal year and the sum of two hundred ten thousand dollars ($210,000) in nonrecurring funds for the 2018-2019 fiscal year shall be used to continue the community paramedicine pilot program site at New Hanover Regional Emergency Medical Services. The focus of this community paramedicine pilot program site shall continue to be expansion of the role of paramedics to allow for community-based initiatives that result in providing care that avoids nonemergency use of emergency rooms and 911 services and avoidance of unnecessary admissions into health care facilities.

SECTION 11G.1.(b) The participation requirements, objectives, standards, and required outcomes for the New Hanover Regional Emergency Medical Services pilot program site shall remain the same as established pursuant to Section 12A.12 of S.L. 2015-241, as amended by Section 12A.3 of S.L. 2016-94.

SECTION 11G.1.(c) By November 1, 2019, the Department of Health and Human Services shall submit an updated report of the New Hanover Regional Emergency Medical Services community paramedicine pilot program site to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

FACILITIES INCLUDED UNDER SINGLE HOSPITAL LICENSE

SECTION 11G.2.(a) G.S. 131E-77(e1) reads as rewritten:

"(e1) Any license issued by the Department shall include only ~~facilities, premises, buildings, outpatient clinics, and other locations~~ facilities (i) operated by the hospital within a single county and (ii) operated by the hospital in an immediately adjoining county; provided, however, that ~~facilities, premises, buildings, outpatient clinics, and other locations~~ facilities operated by a hospital in an immediately adjoining county shall only be included within the same hospital license if the applicant hospital demonstrates all of the following to the satisfaction of the Department:

(1) There was previously only one hospital licensed by the Department ~~and~~ providing inpatient services in the immediately adjoining county.

(2) The licensed ~~inpatient~~ hospital in the immediately adjoining county described in subdivision (1) of this subsection closed or otherwise ceased providing hospital services to patients no more than three years prior to the date the applicant hospital first applied to license a ~~facility, premises, building, outpatient clinic, or location~~ facility in such immediately adjoining county.

If the Department approves ~~an applicant~~ a hospital's initial request to include within its hospital ~~licensure an initial facility, premises, building, outpatient clinic, or other location~~ license a facility in an immediately adjoining county, then any other ~~designated facilities, premises, buildings, outpatient clinics, or other locations~~ hospital services thereafter developed and operated by the applicant in such immediately adjoining county in accordance with applicable law may also be included within and covered by the license issued to the applicant by the Department."

SECTION 11G.2.(b) This section is effective when this act becomes law.

MORATORIUM ON SPECIAL CARE UNIT LICENSES

SECTION 11G.3.(a) For the period beginning July 1, 2017, and ending June 30, 2019, the Department of Health and Human Services, Division of Health Service Regulation, shall not issue any licenses for special care units as defined in G.S. 131D-4.6 and G.S. 131E-114. This prohibition shall not restrict the Department of Health and Human Services from doing any of the following:

(1) Issuing a license to a facility that is acquiring an existing special care unit.

(2) Issuing a license for a special care unit in any area of the State upon a determination by the Secretary of the Department of Health and Human Services that increased access to this type of care is necessary in that area during the moratorium imposed by this section.

(3) Processing all completed applications for special care unit licenses received by the Division of Health Service Regulation along with the applicable license fee prior to June 1, 2013.

(4) Issuing a license to a facility that was in possession of a certificate of need as of July 31, 2013, that included authorization to operate special care unit beds.

SECTION 11G.3.(b) The Department of Health and Human Services shall submit a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by March 1, 2019, containing at least the following information:

(1) The number of licensed special care units in the State.

(2) The capacity of the currently licensed special care units to serve people in need of their services.

(3) The anticipated growth in the number of people who will need the services of a licensed special care unit.

(4) The number of applications received from special care units seeking licensure as permitted by this section and the number of those applications that were not approved.

SECTION 11G.3.(c) This section becomes effective July 1, 2017.

CERTIFICATE OF NEED EXEMPTIONS

SECTION 11G.4.(a) G.S. 131E-175 is amended by adding new subdivisions to read:

"(13) That ophthalmologists providing ocular surgical procedures in unlicensed settings should be given an opportunity to obtain a license to provide those services to ensure the safety of patients and the provision of quality care.

(14) That demand for ocular surgical procedures is increasing due to the growth of the elderly population and scientific and technological advancements that have increased the safety and efficacy of these procedures."

SECTION 11G.4.(b) G.S. 131E-176 reads as rewritten:

"**§ 131E-176. Definitions.**

As used in this Article, unless the context clearly requires otherwise, the following terms have the meanings specified:

...

(2) "Bed capacity" means space used exclusively for inpatient care, including space designed or remodeled for licensed inpatient beds even though temporarily not used for such purposes. The number of beds to be counted in any patient room shall be the maximum number for which adequate square footage is provided as established by rules of the Department except that single beds in single rooms are counted even if the room contains inadequate square footage. The term "bed capacity" also refers to the number of dialysis stations in kidney disease treatment centers, including freestanding dialysis units. The term "bed capacity" does not include space used as a psychiatric facility or hospice inpatient facility.

...

(9b) "Health service facility" means a hospital; long-term care hospital; ~~psychiatric facility;~~ rehabilitation facility; nursing home facility; adult care home; kidney disease treatment center, including freestanding hemodialysis units; intermediate care facility for the mentally retarded; home health agency office; chemical dependency treatment facility; diagnostic center; ~~hospice office, hospice inpatient facility,~~ hospice office or hospice residential care facility; and ambulatory surgical facility.

(9c) "Health service facility bed" means a bed licensed for use in a health service facility in the categories of (i) acute care beds; (ii) ~~psychiatric beds; (iii)~~ rehabilitation beds; ~~(iv)~~(iii) nursing home beds; ~~(v)~~(iv) intermediate care

beds for the mentally retarded; ~~(vi)~~(v) chemical dependency treatment beds; ~~(vii) hospice inpatient facility beds; (viii)~~ (vi) hospice residential care facility beds; ~~(ix)~~(vii) adult care home beds; and ~~(x)~~(viii) long-term care hospital beds.

...

(13b) "Hospice inpatient facility" means a freestanding licensed hospice facility or a designated inpatient unit in an existing health service facility which provides palliative and supportive medical and other health services to meet the physical, psychological, social, spiritual, and special needs of terminally ill patients and their families in an inpatient setting. ~~For purposes of this Article only, a hospital which has a contractual agreement with a licensed hospice to provide inpatient services to a hospice patient as defined in G.S. 131E-201(4) and provides those services in a licensed acute care bed is not a hospice inpatient facility and is not subject to the requirements in G.S. 131E-176(5)(ii) for hospice inpatient beds.~~

...

(16) "New institutional health services" means any of the following:

...

n. The construction, development or other establishment of a ~~hospice, hospice inpatient facility,~~ hospice or hospice residential care facility;

o. The opening of an additional office by an existing home health agency or ~~hospice~~ hospice, not including a hospice inpatient facility, within its service area as defined by rules adopted by the Department; or the opening of any office by an existing home health agency or ~~hospice~~ hospice, not including a hospice inpatient facility, outside its service area as defined by rules adopted by the Department.

...

(17c) "Ocular surgical procedure" means a surgical procedure performed by an ophthalmologist licensed to practice in this State on the eye or its adnexa, including refractive surgery, cataract surgery, and glaucoma surgery.

(17d) "Ocular surgical procedure room" means a room used by an ophthalmologist licensed to practice in this State for the performance of an ocular surgical procedure that (i) requires local, regional, or general anesthesia and a period of less than 24 hours of post-operative observation for diagnostic or therapeutic purposes and (ii) does not constitute an ambulatory surgical program as defined in subdivision (1c) of this section.

...."

SECTION 11G.4.(c) G.S. 131E-178 reads as rewritten:

"**§ 131E-178. Activities requiring certificate of ~~need.~~need; limited exemption for gastrointestinal endoscopy procedures and ocular surgical procedures.**

(a) No person shall offer or develop a new institutional health service without first obtaining a certificate of need from the ~~Department; provided, however, no~~ Department, except as provided in subsections (a1) and (a2) of this section.

(a1) No person who provides gastrointestinal endoscopy procedures in one or more gastrointestinal endoscopy rooms located in a nonlicensed setting, shall be required to obtain a certificate of need to license that setting as an ambulatory surgical facility with the existing number of gastrointestinal endoscopy rooms, provided ~~that:~~that the person meets all of the following criteria:

(1) The license application is postmarked for delivery to the Division of Health Service Regulation by December 31, ~~2006;~~2006.

(2) The applicant verifies, by affidavit submitted to the Division of Health Service Regulation within 60 days of the effective date of this act, that the facility is in operation as of the effective date of this act or that the completed application for the building permit for the facility was submitted by the effective date of this ~~act;~~act.

(3) The facility has been accredited by The Accreditation Association for Ambulatory Health Care, The Joint Commission on Accreditation of Healthcare Organizations, or The American Association for Accreditation of Ambulatory Surgical Facilities by the time the license application is postmarked for delivery to the Division of Health Service Regulation of the ~~Department; and~~Department.

(4) The license application includes a commitment and plan for serving indigent and medically underserved populations.

All other persons proposing to obtain a license to establish an ambulatory surgical facility for the provision of gastrointestinal endoscopy procedures shall be required to obtain a certificate of need. The annual State Medical Facilities Plan shall not include policies or need determinations that limit the number of gastrointestinal endoscopy rooms that may be approved.

(a2) No ophthalmologist who provides ocular surgical procedures in one or more ocular surgical procedure rooms located in a nonlicensed setting shall be required to obtain a certificate of need to license that setting as an ambulatory surgical facility with the existing number of ocular surgical procedure rooms, provided that the ophthalmologist meets all of the following criteria:

(1) The license application is postmarked for delivery to the Division of Health Service Regulation by December 31, 2017.

(2) The applicant verifies, by affidavit submitted to the Division of Health Service Regulation within 60 days after the effective date of this act, that the facility is in operation as of the effective date of this act or that the completed application for the building permit for the facility was submitted by the effective date of this act.

(3) The facility has been accredited by the Accreditation Association for Ambulatory Health Care, the Joint Commission on Accreditation of Healthcare Organizations, or the American Association for Accreditation of Ambulatory Surgical Facilities by the time the license application is postmarked for delivery to the Division of Health Service Regulation of the Department.

(4) The license application includes a commitment to and plan for serving indigent and medically underserved populations.

All other persons proposing to obtain a license to establish an ambulatory surgical facility for the provision of ocular surgical procedures shall be required to obtain a certificate of need. The annual State Medical Facilities Plan shall not include policies or need determinations that limit the number of ocular surgical procedure rooms that may be approved.

...."

SECTION 11G.4.(d) G.S. 131E-184 is amended by adding new subsections to read:

"(i) The Department shall exempt from certificate of need review the construction, development, acquisition, or establishment of an ambulatory surgical facility, provided all of the following criteria are met:

(1) If the applicant seeking this exemption is a physician or group of physicians licensed to practice in this State under Chapter 90 of the General Statutes, the applicant shall make every effort to enter into a joint venture for the

construction, development, acquisition, or establishment of the ambulatory surgical facility with an acute care or critical access hospital licensed under Chapter 131E of the General Statutes that is nearest in proximity to the proposed ambulatory surgical facility. If the physician or group of physicians and the nearest acute care or critical access hospital are unable to reach agreement on a joint venture for the construction, development, or establishment of an ambulatory surgical facility, then the physician or group of physicians shall provide written notification of this inability to reach agreement to the Department on forms and in the manner prescribed by the Department. Upon receipt of written confirmation from the Department that the exemption authorized by this section applies, the applicant may proceed with constructing, developing, acquiring, or establishing the ambulatory surgical facility.

(2) The ambulatory surgical facility must have an agreement with a hospital within a reasonable distance from the facility, or the medical staff at the ambulatory surgical facility must have hospital privileges or other documented arrangements with a hospital that are deemed sufficient by the Department to ensure that inpatient hospital services will be available to address any medical complications that require a patient of the ambulatory surgical facility to be admitted to a hospital for inpatient care.

(3) The ambulatory surgical facility must have the capability to immediately transfer a patient to a hospital with adequate emergency room services and that is within a reasonable distance from the facility.

(4) The ambulatory surgical facility must comply with all requirements of the Ambulatory Surgical Facility Licensure Act set forth in Part 4 of Article 6 of Chapter 131E of the General Statutes, including the licensure requirements specified in G.S. 131E-147.

(j) The Department shall exempt from certificate of need review the following activities by a community hospital with 200 acute care beds or fewer as of December 31, 2016:

(1) The development of a new institutional health service.

(2) The construction, development, or other establishment of a new health service facility, or a portion thereof.

(3) The acquisition of major medical equipment, magnetic resonance imaging equipment, a lithotripter, or a linear accelerator."

SECTION 11G.4.(e) This section becomes effective October 1, 2017. Any psychiatric facility or hospice inpatient facility which had operated under a certificate of need prior to the effective date of this act shall be exempt from certificate of need review after the effective date of this act.

REPEAL OF CERTIFICATE OF NEED LAWS

SECTION 11G.5.(a) G.S. 6-19.1(a) reads as rewritten:

"(a) In any civil action, other than an adjudication for the purpose of establishing or fixing a rate, or a disciplinary action by a licensing board, brought by the State or brought by a party who is contesting State action pursuant to G.S. 150B-43 or any other appropriate provisions of law, unless the prevailing party is the State, the court may, in its discretion, allow the prevailing party to recover reasonable attorney's fees, including attorney's fees applicable to the administrative review portion of the case, in contested cases arising under Article 3 of Chapter 150B, to be taxed as court costs against the appropriate agency if:

(1) The court finds that the agency acted without substantial justification in pressing its claim against the party; and

(2) The court finds that there are no special circumstances that would make the award of attorney's fees unjust. The party shall petition for the attorney's fees within 30 days following final disposition of the case. The petition shall be supported by an affidavit setting forth the basis for the request.

~~Nothing in this section shall be deemed to authorize the assessment of attorney's fees for the administrative review portion of the case in contested cases arising under Article 9 of Chapter 131E of the General Statutes.~~

Nothing in this section grants permission to bring an action against an agency otherwise immune from suit or gives a right to bring an action to a party who otherwise lacks standing to bring the action.

Any attorney's fees assessed against an agency under this section shall be charged against the operating expenses of the agency and shall not be reimbursed from any other source."

SECTION 11G.5.(b) Subsection (a) of this section applies to contested cases arising on or after January 1, 2025.

SECTION 11G.5.(c) G.S. 58-50-61(a) reads as rewritten:

"(a) Definitions. – As used in this section, in G.S. 58-50-62, and in Part 4 of this Article, the term:

...

(8) "Health care provider" means any person who is licensed, registered, or certified under Chapter 90 of the General Statutes or the laws of another state to provide health care services in the ordinary care of business or practice or a profession or in an approved education or training program; a health care facility as defined in ~~G.S. 131E-176(9b)~~ this section or the laws of another state to operate as a health care facility; or a pharmacy.

...

(9a) "Health service facility" means a hospital; long-term care hospital; psychiatric facility; rehabilitation facility; nursing home facility; adult care home; kidney disease treatment center, including freestanding hemodialysis units; intermediate care facility for the mentally retarded; home health agency office; chemical dependency treatment facility; diagnostic center; hospice office, hospice inpatient facility, and hospice residential care facility; and ambulatory surgical facility.

...."

SECTION 11G.5.(d) G.S. 58-55-35(a) reads as rewritten:

"(a) Whenever long-term care insurance provides coverage for the facilities, services, or physical or mental conditions listed below, unless otherwise defined in the policy and certificate, and approved by the Commissioner, such facilities, services, or conditions are defined as follows:

...

(10) "Hospice" ~~shall be defined in accordance with the terms of G.S. 131E-176(13a).~~means any coordinated program of home care with provision for inpatient care for terminally ill patients and their families. This care is provided by a medically directed interdisciplinary team directly or through an agreement under the direction of an identifiable hospice administration. A hospice program of care provides palliative and supportive medical and other health services to meet the physical, psychological, social, spiritual, and special needs of patients and their families, which are experienced during the final stages of terminal illness and during dying and bereavement.

(11) "Intermediate care facility for the mentally retarded" ~~shall be defined in accordance with the terms of G.S. 131E-176(14a).~~means facilities licensed pursuant to Article 2 of Chapter 122C of the General Statutes for the purpose

of providing health and habilitative services based on the developmental model and principles of normalization for persons with mental retardation, autism, cerebral palsy, epilepsy, or related conditions.

...."

SECTION 11G.5.(e) G.S. 113A-12(3)e. reads as rewritten:

"e. A health care facility financed pursuant to Chapter 131A of the General ~~Statutes or receiving a certificate of need under Article 9 of Chapter 131E of the General~~ Statutes."

SECTION 11G.5.(f) G.S. 122C-23.1(e) reads as rewritten:

"(e) As used in this section, "residential treatment facility" means a "residential facility" as defined in and licensed under this ~~Chapter, but not subject to Certificate of Need requirements under Article 9 of Chapter 131E of the General Statutes.~~Chapter."

SECTION 11G.5.(g) G.S. 131E-13(a)(1) reads as rewritten:

"(1) The corporation shall continue to provide the same or similar clinical hospital services to its patients in medical-surgery, obstetrics, pediatrics, outpatient and emergency treatment, including emergency services for the indigent, that the hospital facility provided prior to the lease, sale, or conveyance. These services may be terminated only as prescribed ~~by Certificate of Need Law prescribed in Article 9 of Chapter 131E of the General Statutes, or, if Certificate of Need Law is inapplicable,~~ by review procedure designed to guarantee public participation pursuant to rules adopted by the Secretary of the Department of Health and Human Services."

SECTION 11G.5.(h) G.S. 131E-136(4) reads as rewritten:

"(4) "Home health agency" means a home care agency which is certified to receive Medicare and Medicaid reimbursement for providing nursing care, therapy, medical social services, and home health aide services on a part-time, intermittent ~~basis as set out in G.S. 131E-176(12), and is thereby also subject to Article 9 of Chapter 131E.~~basis."

SECTION 11G.5.(i) G.S. 148-19.1 reads as rewritten:

"**§ 148-19.1. Exemption from ~~licensure and certificate of need.~~licensure.**

~~(a)~~ Inpatient chemical dependency or substance abuse facilities that provide services exclusively to inmates of the Division of Adult Correction of the Department of Public Safety shall be exempt from licensure by the Department of Health and Human Services under Chapter 122C of the General Statutes. If an inpatient chemical dependency or substance abuse facility provides services both to inmates of the Division of Adult Correction of the Department of Public Safety and to members of the general public, the portion of the facility that serves inmates shall be exempt from licensure.

~~(b) Any person who contracts to provide inpatient chemical dependency or substance abuse services to inmates of the Division of Adult Correction of the Department of Public Safety may construct and operate a new chemical dependency or substance abuse facility for that purpose without first obtaining a certificate of need from the Department of Health and Human Services pursuant to Article 9 of Chapter 131E of the General Statutes. However, a new facility or addition developed for that purpose without a certificate of need shall not be licensed pursuant to Chapter 122C of the General Statutes and shall not admit anyone other than inmates unless the owner or operator first obtains a certificate of need.~~"

SECTION 11G.5.(j) Article 9 of Chapter 131E of the General Statutes, G.S. 130A-45.02(i), 143B-1292, 150B-2(8a)k., and 150B-21.1(6) are repealed.

SECTION 11G.5.(k) By April 1, 2018, the Department of Health and Human Services, Division of Health Service Regulation, shall identify and report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research

Division any health service facilities or activities that should be exempt from certificate of need review under Article 9 of Chapter 131E of the General Statutes prior to January 1, 2025.

SECTION 11G.5.(*l*) Subsection (k) of this section becomes effective when this act becomes law. The remainder of this section becomes effective January 1, 2025.

SUBPART XI-H. DIVISION OF MEDICAL ASSISTANCE (MEDICAID)

MEDICAID ELIGIBILITY

SECTION 11H.1.(a) Families and children who are categorically and medically needy are eligible for Medicaid, subject to the following annual income levels:

Family Size	Categorically Needy Income Level	Medically Needy Income Level
1	$ 5,208	$ 2,904
2	6,828	3,804
3	8,004	4,404
4	8,928	4,800
5	9,888	5,196
6	10,812	5,604
7	11,700	6,000
8	12,432	6,300

The Department of Health and Human Services shall provide Medicaid coverage to 19- and 20-year-olds under this subsection in accordance with federal rules and regulations. Medicaid enrollment of categorically needy families with children shall be continuous for one year without regard to changes in income or assets.

SECTION 11H.1.(b) For the following Medicaid eligibility classifications for which the federal poverty guidelines are used as income limits for eligibility determinations, the income limits will be updated each April 1 immediately following publication of federal poverty guidelines. The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to the following:

(1) All elderly, blind, and disabled people who have incomes equal to or less than one hundred percent (100%) of the federal poverty guidelines.

(2) Pregnant women with incomes equal to or less than one hundred ninety-six percent (196%) of the federal poverty guidelines and without regard to resources. Services to pregnant women eligible under this subsection continue throughout the pregnancy but include only those related to pregnancy and to those other conditions determined by the Department as conditions that may complicate pregnancy.

(3) Infants under the age of one with family incomes equal to or less than two hundred ten percent (210%) of the federal poverty guidelines and without regard to resources.

(4) Children aged one through five with family incomes equal to or less than two hundred ten percent (210%) of the federal poverty guidelines and without regard to resources.

(5) Children aged six through 18 with family incomes equal to or less than one hundred thirty-three percent (133%) of the federal poverty guidelines and without regard to resources.

The Department of Health and Human Services, Division of Medical Assistance, shall also provide family planning services to men and women of childbearing age with family incomes equal to or less than one hundred ninety-five percent (195%) of the federal poverty guidelines and without regard to resources.

SECTION 11H.1.(c) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to adoptive children with special or rehabilitative needs, regardless of the adoptive family's income.

SECTION 11H.1.(d) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to "independent foster care adolescents," ages 18, 19, and 20, as defined in section 1905(w)(1) of the Social Security Act (42 U.S.C. § 1396d(w)(1)), without regard to the adolescent's assets, resources, or income levels.

SECTION 11H.1.(e) The Department of Health and Human Services, Division of Medical Assistance, shall provide Medicaid coverage to women who need treatment for breast or cervical cancer and who are defined in 42 U.S.C. § 1396a(a)(10)(A)(ii)(XVIII).

MEDICAID ANNUAL REPORT

SECTION 11H.2. The Department of Health and Human Services, Division of Medical Assistance (Division), shall continue the publication of the Medicaid Annual Report and accompanying tables. The Division shall publish the report and tables on its Web site no later than December 31 following each State fiscal year.

PROVIDER APPLICATION AND RECREDENTIALING FEE

SECTION 11H.3. Chapter 108C of the General Statutes is amended by adding a new section to read:

"**§ 108C-2.1. Provider application and recredentialing fee.**

(a) Each provider that submits an application to enroll in the Medicaid program shall submit an application fee. The application fee shall be the sum of the amount federally required and one hundred dollars ($100.00).

(b) The fee required under subsection (a) of this section shall be charged to all providers at recredentialing every five years."

ADMINISTRATIVE HEARINGS FUNDING

SECTION 11H.4. Of the funds appropriated to the Department of Health and Human Services, Division of Medical Assistance, for administrative contracts and interagency transfers, the Department of Health and Human Services (Department) shall transfer the sum of one million dollars ($1,000,000) for the 2017-2018 fiscal year and the sum of one million dollars ($1,000,000) for the 2018-2019 fiscal year to the Office of Administrative Hearings (OAH). These funds shall be allocated by the OAH for mediation services provided for Medicaid applicant and recipient appeals and to contract for other services necessary to conduct the appeals process. The OAH shall continue the Memorandum of Agreement (MOA) with the Department for mediation services provided for Medicaid recipient appeals and contracted services necessary to conduct the appeals process. The MOA will facilitate the Department's ability to draw down federal Medicaid funds to support this administrative function. Upon receipt of invoices from the OAH for covered services rendered in accordance with the MOA, the Department shall transfer the federal share of Medicaid funds drawn down for this purpose.

ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE

SECTION 11H.5.(a) Receivables reserved at the end of the 2017-2018 and 2018-2019 fiscal years shall, when received, be accounted for as nontax revenue for each of those fiscal years.

SECTION 11H.5.(b) For the 2017-2018 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred sixty-four million seven hundred thousand dollars ($164,700,000) with the Department of State Treasurer to be accounted for as nontax revenue. For the 2018-2019 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred forty-nine million six hundred thousand dollars

($149,600,000) with the Department of State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of General Fund appropriations, nonfederal revenue, fund balances, or other resources from State-owned and State-operated hospitals that are used to provide indigent and nonindigent care services. The return from State-owned and State-operated hospitals to DHHS will be made from nonfederal resources in an amount equal to the amount of the payments from the Division of Medical Assistance for uncompensated care. The treatment of any revenue derived from federal programs shall be in accordance with the requirements specified in the Code of Federal Regulations, Title 2, Part 225.

VOLUME PURCHASE PLANS AND SINGLE SOURCE PROCUREMENT

SECTION 11H.6. The Department of Health and Human Services, Division of Medical Assistance, may, subject to the approval of a change in the State Medicaid Plan, contract for services, medical equipment, supplies, and appliances by implementation of volume purchase plans, single source procurement, or other contracting processes in order to improve cost containment.

ANNUAL ISSUANCE OF MEDICAID IDENTIFICATION CARDS

SECTION 11H.7. The Department of Health and Human Services (Department) shall issue Medicaid identification cards to recipients on an annual basis with updates as needed. The Department shall adopt rules, or amend any current rules relating to Medicaid identification cards, to implement this section.

LME/MCO OUT-OF-NETWORK AGREEMENTS

SECTION 11H.8.(a) The Department of Health and Human Services (Department) shall continue to ensure that local management entities/managed care organizations (LME/MCOs) utilize an out-of-network agreement that contains standardized elements developed in consultation with LME/MCOs. The out-of-network agreement shall be a streamlined agreement between a single provider of behavioral health or intellectual/developmental disability (IDD) services and an LME/MCO to ensure access to care in accordance with 42 C.F.R. § 438.206(b)(4), reduce administrative burden on the provider, and comply with all requirements of State and federal laws and regulations. LME/MCOs shall use the out-of-network agreement in lieu of a comprehensive provider contract when all of the following conditions are met:

(1) The services requested are medically necessary and cannot be provided by an in-network provider.

(2) The behavioral health or IDD provider's site of service delivery is located outside of the geographical catchment area of the LME/MCO, and the LME/MCO is not accepting applications or the provider does not wish to apply for membership in the LME/MCO closed network.

(3) The behavioral health or IDD provider is not excluded from participation in the Medicaid program, the NC Health Choice program, or other State or federal health care program.

(4) The behavioral health or IDD provider is serving no more than two enrollees of the LME/MCO, unless the agreement is for inpatient hospitalization, in which case the LME/MCO may, but shall not be required to, enter into more than five such out-of-network agreements with a single hospital or health system in any 12-month period.

SECTION 11H.8.(b) Medicaid providers providing services pursuant to an out-of-network agreement shall be considered a network provider for purposes of Chapter 108D of the General Statutes only as it relates to enrollee grievances and appeals.

MEDICAID CONTINGENCY RESERVE

SECTION 11H.9.(a) Funds in the Medicaid Contingency Reserve established by Section 12H.38 of S.L. 2014-100 shall be used only for budget shortfalls in the Medicaid Program. These funds shall be available for expenditure only upon an appropriation by act of the General Assembly. It is the intent of the General Assembly to appropriate funds from the Medicaid Contingency Reserve only if:

(1) The Director of the Budget, after the State Controller has verified that receipts are being used appropriately, has found that additional funds are needed to cover a shortfall in the Medicaid budget for the State fiscal year.

(2) The Director of the Budget has reported immediately to the Fiscal Research Division on the amount of the shortfall found in accordance with subdivision (1) of this subsection. This report shall include an analysis of the causes of the shortfall, such as (i) unanticipated enrollment and mix of enrollment, (ii) unanticipated growth or utilization within particular service areas, (iii) errors in the data or analysis used to project the Medicaid budget, (iv) the failure of the program to achieve budgeted savings, (v) other factors and market trends that have impacted the price of or spending for services, (vi) variations in receipts from prior years or from assumptions used to prepare the Medicaid budget for the current fiscal year, or (vii) other factors. The report shall also include data in an electronic format that is adequate for the Fiscal Research Division to confirm the amount of the shortfall and its causes.

SECTION 11H.9.(b) Nothing in this section shall be construed to limit the authority of the Governor to carry out his duties under the Constitution.

LME/MCO INTERGOVERNMENTAL TRANSFERS

SECTION 11H.10. The local management entities/managed care organizations (LME/MCOs) shall make intergovernmental transfers to the Department of Health and Human Services, Division of Medical Assistance (DMA), in an aggregate amount of seventeen million seven hundred thirty-six thousand nine hundred eighty-five dollars ($17,736,985) in the 2017-2018 fiscal year and in an aggregate amount of eighteen million twenty-eight thousand two hundred seventeen dollars ($18,028,217) for the 2018-2019 fiscal year. The amount of the intergovernmental transfer that each individual LME/MCO is required to make in each fiscal year shall be as follows:

	2017-2018	**2018-2019**
Alliance Behavioral Healthcare	$2,994,703	$3,043,874
Cardinal Innovations Healthcare	$4,118,912	$4,186,543
Eastpointe	$2,011,858	$2,044,892
Partners Behavioral Health Management	$1,913,793	$1,945,216
Sandhills Center	$1,924,822	$1,956,427
Trillium Health Resources	$2,457,426	$2,497,775
Vaya Health	$2,315,471	$2,353,490

In the event that any county disengages from an LME/MCO and realigns with another LME/MCO during the 2017-2019 fiscal biennium, DMA shall have the authority to reallocate the amount of the intergovernmental transfer that each affected LME/MCO is required to make, taking into consideration the change in catchment area and covered population, provided that the aggregate amount of the transfers received from all LME/MCOs in each year of the fiscal biennium are achieved.

EXPAND NORTH CAROLINA INNOVATIONS WAIVER SLOTS

SECTION 11H.11. The Department of Health and Human Services, Division of Medical Assistance, shall amend the North Carolina Innovations waiver to increase the number

of slots available under the waiver by 250 slots. These additional slots shall be made available on January 1, 2018.

INCREASE PERSONAL CARE SERVICES RATE

SECTION 11H.12. Beginning January 1, 2018, the Department of Health and Human Services, Division of Medical Assistance, shall increase to three dollars and ninety-four cents ($3.94) the rate paid per 15-minute billing unit for personal care services provided pursuant to Clinical Coverage Policy 3L.

GRADUATE MEDICAL EDUCATION MEDICAID REIMBURSEMENT

SECTION 11H.13.(a) Beginning July 1, 2017, the Department of Health and Human Services, Division of Medical Assistance, shall no longer be required to implement the prohibitions on reimbursement for Graduate Medical Education payments required by Section 12H.23 of S.L. 2015-241, as amended by Section 88 of S.L. 2015-264.

SECTION 11H.13.(b) No later than January 1, 2018, the Department of Health and Human Services, Division of Medicaid Assistance (DMA), shall report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division on both the actual and forecasted total requirements less receipts of payments made for the GME add-on to the DRG Unit Value (Base) rate. To the extent the total requirements less receipts for these payments exceeds the ten million dollars ($10,000,000) appropriated for this purpose in each year of the 2017-2019 fiscal biennium, the Department shall identify the reductions that are being implemented to cover any excess costs.

PLAN TO IMPLEMENT COVERAGE FOR HOME VISITS FOR PREGNANT WOMEN AND FAMILIES WITH YOUNG CHILDREN

SECTION 11H.14.(a) It is the intent of the General Assembly to provide Medicaid and NC Health Choice coverage for evidence-based home visits for pregnant women and families with young children designed to improve maternal and child health, prevent child abuse and neglect, encourage positive parenting, and promote child development and school readiness that are consistent with the model used by Nurse-Family Partnership. No later than July 1, 2018, the Department of Health and Human Services, Division of Medical Assistance (Department), shall begin providing Medicaid and NC Health Choice coverage for home visits statewide or through a pilot program.

The Department shall develop a plan to implement changes necessary to provide Medicaid and NC Health Choice coverage for home visits statewide or through a pilot program; however, consistent with G.S. 108A-54(e)(4), the Department is not authorized to make any changes to eligibility for the Medicaid or NC Health Choice programs. The plan shall detail the design and scope of coverage for the home visits for pregnant women and families with young children and include the identification of any State Plan Amendments or waivers that may be necessary to submit to the Centers for Medicare and Medicaid Services.

SECTION 11H.14.(b) No later than November 1, 2017, the Department shall submit to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Fiscal Research Division a report containing the following information:

(1) As required by subsection (a) of this section, a copy of the plan to provide, no later than July 1, 2018, Medicaid and NC Health Choice coverage for home visits statewide or through a pilot program.

(2) A detailed description of the coverage to be provided, including the proposed service definition, the home visit schedule, the scope of the covered service, and the anticipated reimbursement rate to be paid.

(3) An analysis of the total fiscal impact of adding Medicaid and NC Health Choice coverage for the home visits for pregnant women and families with

young children. This shall include an outline of both costs and savings to the Medicaid and NC Health Choice programs, as well as any savings to other programs provided by the State.

(4) A description of how the Department intends to leverage any private funding that may be currently utilized to provide coverage for evidence-based home visits for pregnant women and families with young children.

(5) Whether the Department intends to add this coverage pursuant to its authority under G.S. 108A-54(e) or whether additional appropriations are required.

(6) Any plans to include pay-for-success initiatives as part of the Medicaid and NC Health Choice funding for the covered service.

(7) An anticipated time line for the implementation of the Department's plan and the submission of any necessary State Plan Amendments or waivers to the Centers for Medicare and Medicaid Services.

NC TRACKS ENHANCEMENTS TO PREVENT AND DETECT FRAUD, WASTE, AND ABUSE

SECTION 11H.15. The Department of Health and Human Services (Department) shall enhance the capability of the NC Tracks Medicaid Management Information System (MMIS) to include the ability to detect and prevent fraud, waste, and abuse prior to the payment of claims. Program changes shall be made to MMIS to prevent claims payment to providers when fraud, waste, or abuse is identified. The new capability required by this subsection shall utilize publicly available data regarding Medicaid providers and recipients. For this new capability, the Department shall establish criteria for the identification of suspicious claims, suspicious patterns of activity, or both without preselecting providers or recipients for review. Claims or patterns of activity identified by this new capability shall be evaluated utilizing a combination of automated and manual processes to determine the validity of the suspected fraud, waste, or abuse prior to the issuance of any payment to the provider for the suspicious claims.

The new capability required by this subsection shall be implemented utilizing existing MMIS contracts no later than 120 days after this section becomes law. Nothing in this section shall be construed to change or limit any current laws or rules regarding prompt payment to providers or provider prepayment claims review.

DURATION OF MEDICAID AND NC HEALTH CHOICE PROGRAM MODIFICATIONS

SECTION 11H.16. Except for eligibility categories and income thresholds and except for statutory changes, the Department of Health and Human Services shall not be required to maintain, after June 30, 2019, any modifications to the Medicaid and NC Health Choice programs required by this Subpart.

MEDICAID TRANSFORMATION TECHNICAL AND CLARIFYING CHANGES

SECTION 11H.17.(a) Section 4 of S.L. 2015-245, as amended by Section 2(b) of S.L. 2016-121, reads as rewritten:

"**SECTION 4.** Structure of Delivery System. – The transformed Medicaid and NC Health Choice programs described in Section 1 of this act shall be organized according to the following principles and parameters:

...

(4) Services covered by PHPs. – Capitated PHP contracts shall cover all Medicaid and NC Health Choice services, including physical health services, prescription drugs, long-term services and supports, and behavioral health

services for NC Health Choice recipients, except as otherwise provided in this subdivision. The capitated contracts required by this subdivision shall not cover:

...

d. ~~Audiology, speech therapy, occupational therapy, physical therapy, nursing, and psychological services prescribed~~Services documented in an Individualized Education Program (IEP) and ~~performed by schools or individuals contracted with~~provided or billed by Local Education Agencies.

e. Services provided ~~directly~~and billed by a Children's Developmental Services Agency (CDSA) ~~or by a provider under contract with a CDSA if the service is authorized through the CDSA and is~~that are included on the child's Individualized Family Service Plan.

...."

SECTION 11H.17.(b) G.S. 143B-216.80(b)(1) reads as rewritten:

"(1) Employees of the Division of Health Benefits shall not be subject to the North Carolina Human Resources Act, except as provided in ~~G.S. 126-5(c1)(31).~~G.S. 126-5(c1)(33)."

NOTICE OF PROGRAM REIMBURSEMENT AS BASIS FOR RECOUPMENT OF OVERPAYMENTS

SECTION 11H.18.(a) G.S. 108C-2 is amended by adding a new subdivision to read:

"(8a) Notice of program reimbursement. – The written notice reflecting the Department's final determination of the total amount of reimbursement, if any, due to either the provider or the Department following receipt of a provider's annual Medicaid or Health Choice cost report or amended Medicaid or Health Choice cost report where permitted or required."

SECTION 11H.18.(b) G.S. 108C-5 reads as rewritten:

"**§ 108C-5. Payment suspension and audits utilizing extrapolation.**

(a) The Department may suspend payments to a provider in accordance with the requirements and procedures set forth in 42 C.F.R. § 455.23.

(b) In addition to the procedures for suspending payment set forth at 42 C.F.R. § 455.23, the Department may also suspend payment to any provider that (i) owes a final overpayment, assessment, or fine to the Department and has not entered into an approved payment plan with the ~~Department or~~ Department; (ii) owes the Department an amount identified on a notice of program reimbursement, regardless of whether the amount owed is a final overpayment, whether the provider's appeal rights have been exhausted, or whether any review of the amount owed is pending; or (iii) has had its participation in the Medicaid or Health Choice programs suspended or terminated by the Department. For purposes of this section, a suspension or termination of participation does not become final until all administrative appeal rights have been exhausted and shall not include any agency decision that is being contested at the Department or the Office of Administrative Hearings or in Superior Court provided that the Superior Court has entered a stay pursuant to the provisions of G.S. 150B-48.

(c) For providers who owe a final overpayment, assessment, or fine to the Department, the payment suspension shall begin the thirty-first day after the overpayment, assessment, or fine becomes final. The payment suspension shall not exceed the amount owed to the Department, including any applicable penalty and interest charges.

(c1) Notwithstanding subsection (c) of this section, for providers who owe the Department an amount identified on a notice of program reimbursement, the Department shall

suspend payments to the provider immediately upon issuance of the notice of program reimbursement. Payments shall be suspended as required by this subsection regardless of whether the amount owed is a final overpayment, whether the provider's appeal rights have been exhausted, or whether any review of the amount owed is pending. The payment suspension shall not exceed the amount owed to the Department, including any applicable penalty and interest charges.

(d) Providers whose participation in the Medicaid or Health Choice programs has been suspended or terminated shall have all payments suspended beginning on the thirty-first day after the suspension or termination becomes final.

(e) The Department shall consult with the ~~N.C. Departments of Treasury and Revenue~~ Department of State Treasurer, the Department of Revenue, and other State departments and agencies to determine if a provider owes debts or fines to the State. The Department may collect any of these debts owed to the State subsequent to consideration by the Department of the financial impact upon the provider and the impact upon access to the services provided by the provider.

(f) When issuing payment suspensions in accordance with this Chapter, the Department may suspend payment to all providers ~~which~~ that share the same IRS Employee Identification Number or corporate parent as the provider or provider site location ~~which~~ that owes the final overpayment, assessment, or ~~fine.~~fine, or that owes the amount identified on the notice of program reimbursement. The Department shall give 30 days advance written notice to all providers ~~which~~ that share the same IRS Employee Identification Number or corporate parent as the provider or provider site location of the intention of the Department to implement a payment suspension.

(g) The Department is authorized to approve a payment plan for a provider to pay a final overpayment, assessment, or fine including interest and any penalty. The payment plan ~~can~~ may include a term of up to 24 months. The Department shall establish in rule the conditions of such provider payment plans. Nothing in this subsection shall prevent the provider and the Department from mutually agreeing to modifications of a payment plan.

(h) All payments suspended in accordance with this Chapter shall be applied toward any final overpayment, assessment, or fine owed to the ~~Department.~~Department and any amount owed to the Department that was identified on a notice of program reimbursement.

...."

SECTION 11H.18.(c) This section becomes effective October 1, 2017, and applies to notices of program reimbursement issued on or after that date.

PREPAYMENT CLAIMS REVIEW MODIFICATIONS

SECTION 11H.19.(a) G.S. 108C-7 reads as rewritten:

"**§ 108C-7. Prepayment claims review.**

(a) In order to ensure that claims presented by a provider for payment by the Department meet the requirements of federal and State laws and regulations and medical necessity criteria, a provider may be required to undergo prepayment claims review by the Department. Grounds for being placed on prepayment claims review shall include, but shall not be limited to, receipt by the Department of credible allegations of fraud, identification of aberrant billing practices as a result of ~~investigations or~~ investigations, data analysis performed by the ~~Department~~ Department, the failure of the provider to timely respond to a request for documentation made by the Department or one of its authorized representatives, or other grounds as defined by the Department in rule.

(b) Providers shall not be entitled to payment prior to claims review by the Department. The Department shall notify the provider in writing of the decision and the process for submitting claims for prepayment claims ~~review no less than 20 calendar days prior to instituting prepayment claims~~ review. The written notice shall be deposited, first-class postage

prepaid, in the United States mail and addressed to the most recent address given by the provider to the Department. The prepayment claims review shall be instituted no less than 20 calendar days from the date of the mailing of written notification. The notice shall contain all of the following:

...

(4) A specific list of all supporting documentation that the provider will need to submit ~~contemporaneously with the~~ to the prepayment review vendor for all claims that ~~will be~~ are subject to the prepayment claims review.

...

(d) The Department shall process all clean claims submitted for prepayment review within 20 calendar days of ~~submission by the provider~~ receipt of the supporting documentation for each claim by the prepayment review vendor. To be considered by the Department, the documentation submitted must be complete, legible, and clearly identify the provider to which the documentation applies. If the provider failed to provide any of the specifically requested supporting documentation necessary to process a claim pursuant to this section, the Department shall send to the provider written notification of the lacking or deficient documentation within 15 calendar days of ~~receipt of such claim~~ the due date of requested supporting documentation. The Department shall have an additional 20 days to process a claim upon receipt of the documentation.

(e) The provider shall remain subject to the prepayment claims review process until the provider achieves three consecutive months with a minimum seventy percent (70%) clean claims ~~rate~~rate, provided that the number of claims submitted per month is no less than fifty percent (50%) of the provider's average monthly submission of Medicaid claims for the three-month period prior to the provider's placement on prepayment review. If a provider does not submit any claims following placement on prepayment review in any given month, then the claims accuracy rating shall be zero percent (0%) for each month in which no claims were submitted. If the provider does not meet ~~this standard~~ the seventy percent (70%) clean claims rate minimum requirement for three consecutive months within six months of being placed on prepayment claims review, the Department may implement sanctions, including termination of the applicable Medicaid Administrative Participation Agreement, or continuation of prepayment ~~review for an additional six-month period.~~review. The Department shall give adequate advance notice of any modification, suspension, or termination of the Medicaid Administrative Participation Agreement. ~~In no instance shall prepayment claims review continue longer than 12 months.~~

Prepayment claims review shall not continue longer than 24 consecutive months unless the Department has initiated the termination or other sanction of the provider and the provider has appealed that termination or sanction. If the Department has initiated the termination or other sanction of the provider and the provider has appealed that termination or sanction, then the provider shall remain on prepayment review until the final disposition of the Department's termination or other sanction of the provider.

(e1) Failure of a provider to meet the seventy percent (70%) clean claims rate minimum requirement may result in a termination action. A termination action taken shall reflect the failure of the provider to meet the seventy percent (70%) clean claims rate minimum requirement and shall result in exclusion of the provider from future participation in the Medicaid program. If a provider fails to meet the seventy percent (70%) clean claims rate minimum requirement and subsequently requests a voluntary termination, the termination shall reflect the provider's failure to successfully complete prepayment claims review and shall result in exclusion of the provider from future participation in the Medicaid program.

(e2) A provider shall not withhold claims to avoid the claims review process. Any claims for services provided during the period of prepayment review may still be subject to review prior to payment regardless of the date the claims are submitted and regardless of whether the

provider has been taken off of prepayment review for any reason, including attaining a minimum of seventy percent (70%) clean claims rate for three consecutive months, the expiration of the 24-month time limit, or the termination of the provider.

(f) The decision to place or maintain a provider on prepayment claims review does not constitute a contested case under Chapter 150B of the General Statutes. A provider may not appeal or otherwise contest a decision of the Department to place or maintain a provider on prepayment review.

(g) If a provider elects to appeal the Department's decision to impose sanctions on the provider as a result of the prepayment review process to the Office of Administrative Hearings, then the provider shall have 45 days from the date that the appeal is filed to submit any documentation or records that address or challenge the findings of the prepayment review. The Department shall not review, and the administrative law judge shall not admit into evidence, any documentation or records submitted by the provider after the 45-day deadline. In order for a provider to meet its burden of proof under G.S. 108C-12(d) that a prior claim denial should be overturned, the provider must prove that (i) all required documentation was provided at the time the claim was submitted and was available for review by the prepayment review vendor and (ii) the claim should not have been denied at the time of the vendor's initial review."

SECTION 11H.19.(b) This section becomes effective October 1, 2017, and applies to providers who are placed on prepayment review on or after that date and written notices provided to providers on or after that date.

MEDICAID ELIGIBILITY MONITORING

SECTION 11H.20.(a) Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-55.5. Eligibility monitoring for medical assistance.**

(a) On at least a quarterly basis, the Department shall review information concerning changes in circumstances that may affect medical assistance beneficiaries' eligibility to receive medical assistance benefits. The Department shall share the information directly with, or make the information available to, the county department of social services that determined the beneficiary's eligibility.

(b) The information reviewed by the Department shall include all of the following:

(1) Earned and unearned income.
(2) Employment status and changes in employment.
(3) Residency status.
(4) Enrollment status in other State-administered public assistance programs.
(5) Financial resources.
(6) Incarceration status.
(7) Death records.
(8) Lottery winnings.
(9) Enrollment status in public assistance programs outside of this State.

(c) A county department of social services shall promptly review the information provided or made available by the Department in accordance with subsection (a) of this section to determine if the information indicates a change in circumstances that may affect a medical assistance beneficiary's eligibility to receive medical assistance benefits and take one of the following actions:

(1) If a review of the information does not result in the county department of social services finding a discrepancy or change in a beneficiary's circumstances that may affect that beneficiary's eligibility to receive medical assistance benefits, the county department of social services shall take no further action.

(2) If a review of the information does result in the county department of social services finding a discrepancy or change in a beneficiary's circumstances that may affect that beneficiary's eligibility for medical assistance benefits, the county department of social services shall provide written notice to the beneficiary that describes in sufficient detail the circumstances of the discrepancy or change in circumstances that would affect the beneficiary's eligibility for medical assistance benefits. The notice must include the following information:

a. The beneficiary will have 10 business days from the time of mailing to respond.

b. A response from the beneficiary must be in writing.

c. Self-declarations made by the beneficiary will not be accepted as verification of information in the response.

d. The consequences of taking no action.

(d) After the expiration of 10 business days from the time of mailing the notice required under subsection (c) of this section, the county department of social services shall take one of the following actions:

(1) If a beneficiary did not respond to the notice, the county department of social services shall redetermine the beneficiary's eligibility for medical assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.

(2) If a beneficiary responds to the notice and disagrees with the information in the notice, the county department of social services shall reinvestigate the matter and take one of the following actions:

a. If the county department of social services determines that there has been an error and the beneficiary's eligibility to receive medical assistance benefits is not affected, then no further action shall be taken.

b. If the county department of social services determines that there is no error, the county department of social services shall redetermine the beneficiary's eligibility for medical assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.

(3) If a beneficiary responds to the notice and confirms the information in the notice is correct, then the county department of social services shall redetermine the beneficiary's eligibility for medical assistance benefits and provide the beneficiary with proper notice under G.S. 108A-79.

If, at any time after receiving a beneficiary's response to the notice, the county department of social services determines that there is a risk of fraud or misrepresentation or inadequate documentation, then the county department of social services may request additional documentation from the beneficiary.

(e) Nothing in this section shall preclude the Department or any county department of social services from receiving or reviewing additional information related to a beneficiary's eligibility for medical assistance benefits that is obtained in a manner other than that provided for under this section."

SECTION 11H.20.(b) The Department of Health and Human Services may sign a memorandum of understanding with any department, agency, or division of the State to obtain information concerning individuals enrolled in Medicaid that indicates a change in circumstances that may affect the individuals' eligibility to receive Medicaid benefits under G.S. 108A-55.5(a).

SECTION 11H.20.(c) The Department of Health and Human Services may contract with one or more vendors to provide information concerning individuals enrolled in Medicaid that indicates a change in circumstances that may affect the individuals' eligibility to

receive Medicaid benefits under G.S. 108A-55.5(a). The quarterly cost, net of receipts, of a contract entered into under this subsection must be less than the cost of claims, net of receipts, for the preceding quarter for individuals identified.

SECTION 11H.20.(d) The Department of Health and Human Services (Department) shall consider joining any multistate cooperative to identify individuals who are also enrolled in public assistance programs outside of this State, including the National Accuracy Clearinghouse. No later than October 1, 2017, the Department shall report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice findings that explain the reasons for joining or not joining any multistate cooperative, and, if a determination has been made to join the multistate cooperative, a date when membership is expected.

SECTION 11H.20.(e) Subsection (a) of this section becomes effective January 1, 2018. The remainder of this section is effective when this act becomes law.

MEDICAID ELIGIBILITY DETERMINATION TIMELINESS REPORTING

SECTION 11H.21. Part 10 of Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-70.43. Reporting.**

No later than March 1 of each year, the Department shall submit a report for the prior calendar year to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division containing the following information:

(1) The annual statewide percentage of Medicaid applications processed in a timely manner for the fiscal year.

(2) The statewide average number of days to process Medicaid applications for each month in the fiscal year.

(3) The annual percentage of Medicaid applications processed in a timely manner by each county department of social services for the fiscal year.

(4) The average number of days to process Medicaid applications for each month for each county department of social services.

(5) The number of months during the fiscal year that each county department of social services met the timely processing standards under G.S. 108A-70.38.

(6) The number of months during the fiscal year that each county department of social services failed to meet the timely processing standards under G.S. 108A-70.38.

(7) A description of all corrective action activities conducted by the Department and county departments of social services in accordance with G.S. 108A-70.36.

(8) A description of how the Department plans to assist county departments of social services in meeting timely processing standards for Medicaid applications, for every county in which the performance metrics for processing Medicaid applications in a timely manner do not show significant improvement compared to the previous fiscal year."

SUPPORT IMPROVEMENT IN THE ACCURACY OF MEDICAID ELIGIBILITY DETERMINATIONS

SECTION 11H.22.(a) G.S. 108A-25(b) reads as rewritten:

"(b) The program of medical assistance is established as a program of public assistance and shall be administered by the Department of Health and Human Services in accordance with G.S. 108A-54. Medicaid eligibility administration may be delegated to the county departments of social services under rules adopted by the Department of Health and Human Services."

SECTION 11H.22.(b) No later than November 1, 2017, the Department of Health and Human Services (Department) shall report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice on progress made regarding the accuracy of county Medicaid eligibility determinations in response to the State Auditor's January 2017 Performance Audit entitled "North Carolina Medicaid Program Recipient Eligibility Determination." The Department's report shall include the following information:

(1) An identification of stakeholders, including the county departments of social services, the Department has engaged to address issues surrounding the accuracy of Medicaid eligibility determinations by county departments of social services.

(2) Opportunities identified by the Department and stakeholders to address accuracy in Medicaid determinations.

(3) Any steps the Department has taken, or plans to take, to assist county departments of social services with improving accuracy in Medicaid eligibility determinations, including a time line for implementation of each planned action.

(4) Any changes to legislation or needs for funding identified by the Department to assist with improving accuracy in Medicaid determinations.

SECTION 11H.22.(c) Article 2 of Chapter 108A of the General Statutes is amended by adding a new Part to read:

"Part 11. Medicaid Eligibility Determinations Accuracy and Quality Assurance.

"**§ 108A-70.45. Applicability.**

If a federally recognized Native American tribe within the State has assumed responsibility for the Medicaid program pursuant to G.S. 108A-25(e), then this Part applies to the tribe in the same manner as it applies to county departments of social services.

"**§ 108A-70.46. Audit of county Medicaid determinations.**

Beginning January 1, 2019, the Department of Health and Human Services, Division of Central Management and Support, shall, on an annual basis, audit all county departments of social services for compliance with the accuracy standards adopted under G.S. 108A-70.47 for Medicaid eligibility determinations made within a 12-month period. This annual audit shall also include an evaluation of compliance with the quality assurance standards under G.S. 108A-70.48 by the county department of social services. Audits shall be conducted for initial Medicaid eligibility determination applications as well as Medicaid reenrollment determinations.

"**§ 108A-70.47. Medicaid eligibility determination processing accuracy standards.**

(a) The Department shall require county departments of social services to comply with accuracy standards set forth in rule for the processing of Medicaid eligibility determinations. The Department shall set the following standards:

(1) Accuracy standards with regards to errors that caused an ineligible Medicaid recipient to be approved for Medicaid benefits.

(2) Accuracy standards with regards to errors that caused the denial of benefits to an applicant that should have been approved for Medicaid benefits.

(3) Accuracy standards with regards to errors made during the eligibility determination process that did not change the outcome of the eligibility determination.

(b) Standards under this section shall be developed by the Department in consultation with the State Auditor.

"**§ 108A-70.48. Quality assurance.**

The Department shall require county departments of social services to comply with quality assurance minimum standards set forth in rule. The quality assurance standards shall be based

upon best practices and shall be developed by the Department in consultation with the State Auditor.

"**§ 108A-70.49. Corrective action.**

(a) If the Department's annual audit under G.S. 108A-70.46 results in a determination that a county department of social services fails to meet any of the standards adopted under G.S. 108A-70.47 or G.S. 108A-70.48, the Department and the county department of social services shall enter into a joint corrective action plan to improve the accurate processing of applications.

(b) A joint corrective action plan entered into pursuant to this section shall specifically identify the following components:

(1) The duration of the joint corrective action plan, not to exceed 24 months. If a county department of social services shows measurable progress in meeting the performance requirements in the joint corrective action plan, then the duration of the joint corrective action plan may be extended by six months, but in no case shall a joint corrective action plan exceed 36 months.

(2) A plan for improving the accurate processing of applications that specifically describes the actions to be taken by the county department of social services and the Department.

(3) The performance requirements for the county department of social services that constitute successful completion of the joint corrective action plan.

(4) Acknowledgment that failure to successfully complete the joint corrective action plan will result in temporary assumption of Medicaid eligibility administration by the Department, in accordance with G.S. 108A-70.50.

"**§ 108A-70.50. Temporary assumption of Medicaid eligibility administration.**

(a) If a county department of social services fails to successfully complete its joint corrective action plan, the Department shall give the county department of social services, the county manager, and the board of social services or the consolidated human services board, created pursuant to G.S. 153A-77(b), at least 90 days' notice that the Department intends to temporarily assume Medicaid eligibility administration, in accordance with subsection (b) of this section. The notice shall include the following information:

(1) The date on which the Department intends to temporarily assume administration of Medicaid eligibility determinations.

(2) The performance requirements in the joint corrective action plan that the county department of social services failed to meet.

(3) Notice of the county department of social services' right to appeal the decision to the Office of Administrative Hearings, pursuant to Article 3 of Chapter 150B of the General Statutes.

(b) Notwithstanding any provision of law to the contrary, if a county department of social services fails to successfully complete its joint corrective action plan, the Department shall temporarily assume Medicaid eligibility administration for the county upon giving notice as required by subsection (a) of this section. During a period of temporary assumption of Medicaid eligibility administration, the following shall occur:

(1) The Department shall administer the Medicaid eligibility function in the county. Administration by the Department may include direct operation by the Department, including supervision of county Medicaid eligibility workers or contracts for operation to the extent permitted by federal law and regulations.

(2) The county department of social services is divested of the authority to administer Medicaid eligibility determinations.

(3) The Department shall direct and oversee the expenditure of all funding for the administration of Medicaid eligibility in the county.

(4) The county shall continue to pay the nonfederal share of the cost of Medicaid eligibility administration and shall not withdraw funds previously obligated or appropriated for Medicaid eligibility administration.

(5) The county shall pay the nonfederal share of additional costs incurred to ensure compliance with the accuracy and quality assurance standards required by this Part.

(6) The Department shall work with the county department of social services to develop a plan for the county department of social services to resume Medicaid eligibility administration and perform Medicaid eligibility determinations more accurately.

(7) The Department shall inform the county board of commissioners, the county manager, the county director of social services, and the board of social services or the consolidated human services board, created pursuant to G.S. 153A-77(b), of key activities and any ongoing concerns during the temporary assumption of Medicaid eligibility administration.

(c) Upon the Department's determination that Medicaid eligibility determinations can be performed accurately and with proper quality assurance by the county department of social services based on the standards adopted under G.S. 108A-70.47 and G.S. 108A-70.48, the Department shall notify the county department of social services, the county manager, and the board of social services or the consolidated human services board, created pursuant to G.S. 153A-77(b), that temporary assumption of Medicaid eligibility administration will be terminated and the effective date of termination. Upon termination, the county department of social services resumes its full authority to administer Medicaid eligibility determinations.

"**§ 108A-70.51. Reporting.**

Beginning with the calendar year 2020, no later than March 1 of each year, the Department shall submit a report to the Joint Legislative Committee on Medicaid and NC Health Choice, the Fiscal Research Division, and the State Auditor that contains the following information about the prior calendar year:

(1) The annual statewide percentage of county departments of social services that met the accuracy standards adopted under G.S. 108A-70.47 in the prior fiscal year.

(2) The annual statewide percentage of county departments of social services that met the quality assurance standards adopted under G.S. 108A-70.48 in the prior fiscal year.

(3) The annual audit result for each standard adopted under G.S. 108A-70.47 for each county of department services.

(4) The number of years in the preceding five-year period that each county department of social services failed to meet the standards in G.S. 108A-70.47 or G.S. 108A-70.48.

(5) A description of all corrective action activities conducted by the Department and county departments of social services in accordance with G.S. 108A-70.49.

(6) For every county in which the performance metrics for processing Medicaid applications in an accurate manner do not show significant improvement compared to the previous fiscal year, a description of how the Department plans to assist county departments of social services in accuracy and quality assurance standards for Medicaid applications."

SECTION 11H.22.(d) G.S. 150B-23(a5) reads as rewritten:

"(a5) A county that appeals a decision of the Department of Health and Human Services to temporarily assume Medicaid eligibility administration in accordance with ~~G.S. 108A-70.37~~G.S. 108A-70.42 or G.S. 108A-70.50 may commence a contested case under

this Article in the same manner as any other petitioner. The case shall be conducted in the same manner as other contested cases under this Article."

SECTION 11H.22.(e) The Department of Health and Human Services, Division of Central Management and Support (Department), shall collaborate with the State Auditor to develop a plan of implementation of the annual audits under this section. The plan must include the following information:

(1) Accuracy standards and quality assurance standards to be implemented.
(2) The audit schedule that includes all counties.
(3) The audit methodology to be utilized, including any information that may vary based upon county size or other factors.
(4) Details illustrating that the audit methodology is statistically sound, including the statistically significant number of cases to be reviewed in each county.
(5) Anticipated costs of implementing the plan.
(6) A certification from the State Auditor that the Department's plan for the annual audits has the approval of the State Auditor.

No later than March 1, 2018, the Department shall submit a copy of the plan to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice with any proposed recommendations, suggested legislation, or funding requests.

SECTION 11H.22.(f) Article 2 of Chapter 108A of the General Statutes is amended by adding a new section to read:

"**§ 108A-25.1A. Responsibility for errors.**

(a) A county department of social services shall be financially responsible for the erroneous issuance of Medicaid benefits and Medicaid claims payments resulting when the county department of social services takes any action that requires payment of Medicaid claims for an ineligible individual, for ineligible dates, or in an amount that includes a recipient's liability and for which the State cannot claim federal participation.

(b) Notwithstanding subsection (a) of this section, a county department of social services shall not be financially responsible for the erroneous issuance of Medicaid benefits and Medicaid claims payments resulting from a failure or error attributable solely to the State.

(c) The amounts to be charged back to a county department of social services for erroneous payments of claims shall be the State and federal shares of all erroneous payments, not to exceed the lesser of the amount of actual error or claims payment."

SECTION 11H.22.(g) The Department of Health and Human Services (Department) shall design and implement a training and certification program for caseworkers utilizing North Carolina Families Accessing Services Through Technology (NC FAST). The training and certification program shall be available on a statewide basis, and the Department shall provide training to caseworkers at county departments of social services at a location within reasonable travel distance from the county departments of social services multiples times per year. No later than 18 months after the Department has implemented the training and certification program, the Department shall require all caseworkers inputting data or making determinations for eligibility for State programs through NC FAST to be certified. A certification may last no longer than three years before an individual is required to be recertified. The Department may adopt and amend rules to implement this training and certification program.

SECTION 11H.22.(h) No later than 18 months after the Department has implemented the training and certification program under subsection (g) of this section, the Department shall include in its audits required under G.S. 108A-70.46 a verification that all county departments of social services are in compliance with the certification program requirements for individuals involved in the Medicaid eligibility determination process.

SECTION 11H.22.(i) No later than March 1, 2018, the Department shall submit to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division a report on the implementation of the training and certification program required under this section. The report shall include the following:

(1) A detailed outline of what the training and certification program will entail, including how many hours of training will be required for certification, how frequently recertification will be required, and how often training will be provided by the Department to the county departments of social services.

(2) A plan of implementation of the training and certification program, including a specific time line of implementation.

(3) Anticipated costs to the Department, as well as any costs to the county department of social services, of implementing the training and certification program. This should include an identification of any additional resources required by the Department or a county department of social services in order to implement the training and certification program.

(4) Any other information the Department is able to provide regarding the training and certification program development.

SECTION 11H.22.(j) The Department of Health and Human Services may adopt and amend rules to implement this section.

SECTION 11H.22.(k) Subsection (f) of this section is effective when it becomes law and applies to errors identified on or after that date. The remainder of this section is effective when it becomes law.

MEDICAID SUBROGATION RIGHTS CONFORMING CHANGES

SECTION 11H.23. If Section 202(b) of the Bipartisan Budget Act of 2013, P.L. 113-67, takes effect on October 1, 2017, as provided in Section 202(c) of that act, as amended by Section 211 of the Protecting Access to Medicare Act of 2014, P.L. 113-93, and Section 220 of the Medicare Access and CHIP Reauthorization Act of 2015, P.L. 114-10, then G.S. 108A-57 reads as rewritten:

"**§ 108A-57. Subrogation rights; withholding of information a misdemeanor.**

(a) As used in this section, the term "beneficiary" means (i) the beneficiary of medical assistance, including a minor beneficiary, (ii) the medical assistance beneficiary's parent, legal guardian, or personal representative, (iii) the medical assistance beneficiary's heirs, and (iv) the administrator or the executor of the medical assistance beneficiary's estate.

Notwithstanding any other provisions of the law, to the extent of payments under this Part, the State shall be subrogated to all rights of recovery, contractual or otherwise, of ~~the~~ a beneficiary ~~of this assistance, or of the beneficiary's personal representative, heirs, or the administrator or executor of the estate,~~ against any person. A personal injury or wrongful death claim brought by a ~~medical assistance~~ beneficiary against a third party shall include a claim for all medical assistance payments for health care items or services furnished to the ~~medical assistance~~ beneficiary as a result of the injury, hereinafter referred to as the "Medicaid claim." Any personal injury or wrongful death claim brought by a ~~medical assistance~~ beneficiary against a third party that does not state the Medicaid claim shall be deemed to include the Medicaid claim.

(a1) ~~If the amount of the Medicaid claim does not exceed one-third of the medical assistance beneficiary's gross recovery, it is presumed that the gross recovery includes compensation for the full amount of the Medicaid claim. If the amount of the Medicaid claim exceeds one-third of the medical assistance beneficiary's gross recovery, it is presumed that one-third of the gross recovery represents compensation for the Medicaid claim.~~ The Medicaid claim shall be a lien upon any recovery that a beneficiary obtains. The amount of the lien shall

be equal to the total amount of the Medicaid claim but shall not exceed one-third of the gross amount of the recovery obtained.

If a beneficiary has claims against more than one third party related to the same injury, then the payment of the Medicaid lien on any individual recovery shall reduce the total balance of the Medicaid claim. The remaining balance of the Medicaid claim shall be applied as a lien on any subsequent recovery, provided that the lien on each recovery shall not exceed one-third of the gross amount of each recovery obtained.

~~(a2) A medical assistance beneficiary may dispute the presumptions established in subsection (a1) of this section by applying to the court in which the medical assistance beneficiary's claim against the third party is pending, or if there is none, then to a court of competent jurisdiction, for a determination of the portion of the beneficiary's gross recovery that represents compensation for the Medicaid claim. An application under this subsection shall be filed with the court and served on the Department pursuant to the Rules of Civil Procedure no later than 30 days after the date that the settlement agreement is executed by all parties and, if required, approved by the court, or in cases in which judgment has been entered, no later than 30 days after the date of entry of judgment. The court shall hold an evidentiary hearing no sooner than 30 days after the date the action was filed. All of the following shall apply to the court's determination under this subsection:~~

~~(1) The medical assistance beneficiary has the burden of proving by clear and convincing evidence that the portion of the beneficiary's gross recovery that represents compensation for the Medicaid claim is less than the portion presumed under subsection (a1) of this section.~~

~~(2) The presumption arising under subsection (a1) of this section is not rebutted solely by the fact that the medical assistance beneficiary was not able to recover the full amount of all claims.~~

~~(3) If the beneficiary meets its burden of rebutting the presumption arising under subsection (a1) of this section, then the court shall determine the portion of the recovery that represents compensation for the Medicaid claim and shall order the beneficiary to pay the amount so determined to the Department in accordance with subsection (a5) of this section. In making this determination, the court may consider any factors that it deems just and reasonable.~~

~~(4) If the beneficiary fails to rebut the presumption arising under subsection (a1) of this section, then the court shall order the beneficiary to pay the amount presumed pursuant to subsection (a1) of this section to the Department in accordance with subsection (a5) of this section.~~

~~(a3) Notwithstanding the presumption arising pursuant to subsection (a1) of this section, the medical assistance beneficiary and the Department may reach an agreement on the portion of the recovery that represents compensation for the Medicaid claim. If such an agreement is reached after an application has been filed pursuant to subsection (a2) of this section, a stipulation of dismissal of the application signed by both parties shall be filed with the court.~~

(a4) Within 30 days of receipt of the proceeds of a settlement or judgment related to a claim described in subsection (a) of this section, the ~~medical assistance~~ beneficiary or any attorney retained by the beneficiary shall notify the Department of the receipt of the proceeds.

(a5) ~~The medical assistance~~ Within 30 days of receipt of the proceeds of a settlement or judgment related to a claim described in subsection (a) of this section, a beneficiary or any attorney retained by the beneficiary ~~shall, out of the proceeds obtained by or on behalf of the beneficiary by settlement with, judgment against, or otherwise from a third party by reason of injury or death,~~ shall distribute to the Department ~~the amount due pursuant to this section as follows:~~an amount sufficient to fully satisfy the Department's Medicaid lien as provided in subsection (a1) of this section. The Department's right to payment under this subsection shall

be a right to first recovery and shall not be prorated with or otherwise reduced by the claims of any other persons or entities having medical subrogation or medical liens against the amount received or recovered by the beneficiary.

~~(1) If, upon the expiration of the time for filing an application pursuant subsection (a2) of this section, no application has been filed, then the amount presumed pursuant to subsection (a1) of this section, as prorated with the claims of all others having medical subrogation rights or medical liens against the amount received or recovered, shall be paid to the Department within 30 days of the beneficiary's receipt of the proceeds, in the absence of an agreement pursuant to subsection (a3) of this section.~~

~~(2) If an application has been filed pursuant to subsection (a2) of this section and no agreement has been reached pursuant to subsection (a3) of this section, then the Department shall be paid as follows:~~

~~a. If the beneficiary rebuts the presumption arising under subsection (a1) of this section, then the amount determined by the court pursuant to subsection (a2) of this section, as prorated with the claims of all others having medical subrogation rights or medical liens against the amount received or recovered, shall be paid to the Department within 30 days of the entry of the court's order.~~

~~b. If the beneficiary fails to rebut the presumption arising under subsection (a1) of this section, then the amount presumed pursuant to subsection (a1) of this section, as prorated with the claims of all others having medical subrogation rights or medical liens against the amount received or recovered, shall be paid to the Department within 30 days of the entry of the court's order.~~

~~(3) If an agreement has been reached pursuant to subsection (a3) of this section, then the agreed amount, as prorated with the claims of all others having medical subrogation rights or medical liens against the amount received or recovered, shall be paid to the Department within 30 days of the execution of the agreement by the medical assistance beneficiary and the Department.~~

(a6) The United States and the State of North Carolina shall be entitled to shares in each net recovery by the Department under this section. Their shares shall be promptly paid under this section and their proportionate parts of such sum shall be determined in accordance with the matching formulas in use during the period for which assistance was paid to the recipient.

(b) It is a Class 1 misdemeanor for any person seeking or having obtained assistance under this ~~Part~~ Part, for ~~himself~~ himself or herself or ~~another~~ for another, to willfully fail to disclose to the county department of social services or its attorney and to the Department the identity of any person or organization against whom the recipient of assistance has a right of recovery, contractual or otherwise.

(c) This section applies to the administration of and claims payments made by the Department of Health and Human Services under the NC Health Choice Program established under Part 8 of this Article.

(d) As required to ensure compliance with this section, the Department may apply to the court in which the ~~medical assistance~~ beneficiary's claim against the third party is pending, or if there is none, then to a superior court of competent jurisdiction for enforcement of this section."

SUBPART XI-I. DIVISION OF HEALTH BENEFITS

DIVISION OF HEALTH BENEFITS FEDERAL FUNDS

SECTION 11I.1. It is anticipated that the Division of Health Benefits (DHB) will be eligible to draw down federal matching funds on Medicaid transformation project

expenditures. To the extent that federal funds are received as federal match for the DHB's Medicaid transformation project expenditures, those funds are appropriated to the DHB for Medicaid transformation project activities.

SUBPART XI-J. MISCELLANEOUS

GREATER TRANSPARENCY IN HEALTH CARE SERVICES BILLING

SECTION 11J.1.(a) G.S. 58-3-200 reads as rewritten:

"**§ 58-3-200. Miscellaneous insurance and managed care coverage and network provisions.**

(a) Definitions. – ~~As used in this section:~~The following definitions apply in this section:

(1) Clinical laboratory. – An entity in which services are performed to provide information or materials for use in the diagnosis, prevention, or treatment of disease or assessment of a medical or physical condition.

(2) ~~"Health benefit plan" means any~~ Health benefit plan. – Any of the following if written by an insurer: an accident and health insurance policy or certificate; a nonprofit hospital or medical service corporation contract; a health maintenance organization subscriber contract; or a plan provided by a multiple employer welfare arrangement. "Health benefit plan" does not mean any plan implemented or administered through the Department of Health and Human Services or its representatives. "Health benefit plan" also does not mean any of the following kinds of insurance:

a. Accident.
b. Credit.
c. Disability income.
d. Long-term or nursing home care.
e. Medicare supplement.
f. Specified disease.
g. Dental or vision.
h. Coverage issued as a supplement to liability insurance.
i. Workers' compensation.
j. Medical payments under automobile or homeowners insurance.
k. Hospital income or indemnity.
l. Insurance under which benefits are payable with or without regard to fault and that is statutorily required to be contained in any liability policy or equivalent self-insurance.

(3) Health care provider. – Any health care services facility or any person who is licensed, registered, or certified under Chapter 90 or Chapter 90B of the General Statutes, or under the laws of another state, to provide health care services in the ordinary care of business or practice, or as a profession, or in an approved education or training program, except that this term shall not include a pharmacy.

(4) Health services facility. – A hospital; long-term care hospital; psychiatric facility; rehabilitation facility; nursing home facility; adult care home; kidney disease treatment center, including freestanding hemodialysis units; intermediate care facility; home health agency office; chemical dependency treatment facility; diagnostic center; hospice office; hospice inpatient facility; hospice residential care facility; ambulatory surgical facility; urgent care facility; freestanding emergency facility; and clinical laboratory.

~~(2)~~(5) ~~"Insurer" means an~~ Insurer. – An entity that writes a health benefit plan and that is an insurance company subject to this Chapter, a service corporation

under Article 65 of this Chapter, a health maintenance organization under Article 67 of this Chapter, or a multiple employer welfare arrangement under Article 49 of this Chapter.

...

(d) Services Outside Provider Networks. – No insurer shall ~~penalize an insured or~~ subject an insured to the out-of-network benefit levels offered under the insured's approved health benefit plan, including an insured receiving an extended or standing referral under G.S. 58-3-223, unless contracting health care providers able to meet health needs of the insured are reasonably available to the insured without unreasonable delay. Upon notice from the insured, the insurer shall determine whether a health care provider able to meet the health care needs of the insured is reasonably available to the insured without unreasonable delay by reference to the insured's location and the specific medical needs of the insured.

...."

SECTION 11J.1.(b) Chapter 131E of the General Statutes is amended by adding a new Article to read:

"Article 11C.

"Transparency in Health Services Billing Practices.

"**§ 131E-214.25. Definitions.**

The following definitions apply in this section:

(1) Health care provider. – As defined in G.S. 58-3-200(a).

(2) Health services facility. – As defined in G.S. 58-3-200(a).

(3) Insurer. – As defined in G.S. 58-3-200(a).

(4) Provider. – A health care provider.

"**§ 131E-214.26. Fair notice requirements.**

(a) Services Provided at Participating Health Services Facilities. – At the time a health services facility participating in an insurer's health care provider network (i) admits to receive emergency services, (ii) schedules a procedure for nonemergency services for, or (iii) seeks prior authorization from an insurer for the provision of nonemergency services to an insured individual, the health services facility shall provide the insured individual with a written disclosure containing the following information:

(1) Services may be provided at the health services facility by the health services facility itself as well as by other health care providers who may separately bill the insured.

(2) Certain health care providers may be called upon to render care to the insured during the course of treatment and may not have contracts with the insured's insurer and are therefore considered to be nonparticipating health care providers. The nonparticipating health care providers shall be identified in the written disclosure.

(3) Certain consumer protections available to the insured when services are rendered by a health care provider participating in the insurer's health care provider network may not be applicable when services are rendered by a nonparticipating health care provider.

(b) Emergency Services Provided at Nonparticipating Health Services Facilities. – At the time a health services facility admits an insured individual to receive emergency services, but the facility does not have a contract with the individual's insurer, the health services facility shall provide the insured individual with a written disclosure that contains the following information:

(1) The health care facility does not have a contract with the insured's insurer and is considered to be a nonparticipating health care provider.

(2) Certain consumer protections available to the insured individual when services are rendered by a provider participating in the insurer's provider

network may not be applicable when services are rendered by a nonparticipating provider."

SECTION 11J.1.(c) This section becomes effective October 1, 2017, and applies to health care services provided on or after that date.

JOINT OVERSIGHT SUBCOMMITTEES ON MEDICAL EDUCATION PROGRAMS AND MEDICAL RESIDENCY PROGRAMS

SECTION 11J.2.(a) The Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee shall each appoint a subcommittee to jointly examine the use of State funds to support medical education and medical residency programs. In conducting the study, the subcommittees shall examine at least all of the following:

(1) The health care needs of the State's residents and the State's goals in meeting those health care needs through the support and funding of medical education and medical residency programs located within the State.

(2) The short-term and long-term benefits to the State for allocating State funds to medical education and medical residency programs located within the State.

(3) Recommended changes and improvements to the State's current policies with respect to allocating State funds and providing other support to medical education programs and medical residency programs located within the State.

(4) Development of an evaluation protocol to be used by the State in determining (i) the particular medical education programs and medical residency programs to support with State funds and (ii) the amount of State funds to allocate to these programs.

(5) Any other relevant issues the subcommittees deem appropriate.

SECTION 11J.2.(b) The subcommittees may seek input from other states, stakeholders, and national experts on medical education programs, medical residency programs, and health care as it deems necessary.

SECTION 11J.2.(c) By February 1, 2018, the Department of Health and Human Services and The University of North Carolina shall provide the subcommittees the following information regarding State funds and other support provided by the State to medical education programs and medical residency programs located in North Carolina:

(1) The identity, location, and number of positions available in these medical education programs and medical residency programs, broken down by geographic area.

(2) The specific amount of State funds or the nature of any other support provided by the State to medical education programs and medical residency programs, broken down by program.

(3) The number of graduates of medical education programs and medical residency programs who are currently practicing in North Carolina, broken down by the following specialty areas:

a. Surgery.

b. Psychiatry.

c. Primary care.

(4) The number of program graduates who practiced in North Carolina for at least five years after graduation.

(5) Any other information requested by the subcommittees.

SECTION 11J.2.(d) The subcommittees shall jointly develop a proposal for a statewide plan to support medical education programs and medical residency programs within

North Carolina in a manner that maximizes the State's financial and other support of these programs and addresses the short-term and long-term health care needs of the State's residents. Each subcommittee shall submit a report to its respective Oversight Committee on or before March 15, 2018, at which time each subcommittee shall terminate.

SECTION 11J.2.(e) This section is effective when this act becomes law.

AUTHORIZATION FOR CHIROPRACTIC PRECEPTORSHIPS

SECTION 11J.3.(a) Article 8 of Chapter 90 of the General Statutes is amended by adding a new section to read:

"**§ 90-142.1. Supervised training programs authorized.**

(a) As used in this section, "preceptorship program" means a clinical program of an approved chiropractic college in which a student of chiropractic, under the supervision of a licensed chiropractor, observes the licensed chiropractor and may perform the duties of a certified chiropractic clinical assistant as specified in G.S. 90-143.4.

(b) Each student enrolled in a chiropractic college that meets the accreditation requirements of G.S. 90-143 may participate in a preceptorship program."

SECTION 11J.3.(b) G.S. 90-143.4(b) reads as rewritten:

"(b) Any person employed as a chiropractic clinical assistant shall obtain a certificate of competency from the State Board of Chiropractic Examiners (Board) within 180 days after the person begins employment. Certification shall not be required for employees whose duties are limited to administrative activities of a nonclinical nature. Except as otherwise provided in G.S. 90-142.1 and this section, it shall be unlawful for any person to practice as a chiropractic clinical assistant unless duly certified by the Board."

SECTION 11J.3.(c) The section is effective when this act becomes law.

SUBPART XI-K. DIVISIONS OF VOCATIONAL REHABILITATION, SERVICES FOR THE BLIND, AND SERVICES FOR THE DEAF AND HARD OF HEARING [RESERVED]

SUBPART XI-L. DHHS BLOCK GRANTS

DHHS BLOCK GRANTS

SECTION 11L.1.(a) Except as otherwise provided, appropriations from federal block grant funds are made for each year of the fiscal biennium ending June 30, 2019, according to the following schedule:

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	**FY 2017-2018**	**FY 2018-2019**
Local Program Expenditures		
Division of Social Services		
01. Work First Family Assistance	$49,479,444	$49,479,444
02. Work First County Block Grants	80,093,566	80,093,566
03. Work First Electing Counties	2,378,213	2,378,213
04. Adoption Services – Special Children Adoption Fund	2,026,877	2,026,877

05. Child Protective Services – Child Welfare Workers for Local DSS	9,412,391	9,412,391
06. Child Welfare Program Improvement Plan	775,176	775,176
07. Child Welfare Collaborative	400,000	400,000
08. Child Welfare Initiatives	1,400,000	1,400,000
Division of Child Development and Early Education		
09. Subsidized Child Care Program	53,605,680	58,112,735
10. NC Pre-K Services	6,000,000	12,200,000
Division of Public Health		
11. Teen Pregnancy Prevention Initiatives	2,950,000	2,950,000
DHHS Administration		
12. Division of Social Services	2,482,260	2,482,260
13. Office of the Secretary	34,042	34,042
14. Eligibility Systems – Operations and Maintenance	2,908,598	2,765,192
15. NC FAST Implementation	48,495	875,264
Transfers to Other Block Grants		
Division of Child Development and Early Education		
16. Transfer to the Child Care and Development Fund	71,773,001	71,773,001
Division of Social Services		
17. Transfer to Social Services Block Grant for Child Protective Services – Training	1,300,000	1,300,000
18. Transfer to Social Services Block Grant for Child Protective Services	5,040,000	5,040,000
19. Transfer to Social Services Block Grant for County Departments of Social Services for Children's Services	7,500,000	7,500,000

20. Transfer to Social Services Block Grant – Foster Care Services	1,385,152	1,385,152
TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS	**$300,992,895**	**$312,383,313**
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS		
Local Program Expenditures		
Division of Child Development and Early Education		
01. Subsidized Child Care	$28,600,000	$28,600,000
TOTAL TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS	**$28,600,000**	**$28,600,000**
SOCIAL SERVICES BLOCK GRANT		
Local Program Expenditures		
Divisions of Social Services and Aging and Adult Services		
01. County Departments of Social Services (Transfer From TANF $7,500,000)	$32,971,498	$33,003,632
02. EBCI Tribal Public Health and Human Services	244,740	244,740
03. Child Protective Services (Transfer From TANF)	5,040,000	5,040,000
04. State In-Home Services Fund	1,943,950	1,943,950
05. Adult Protective Services	1,245,363	1,245,363
06. State Adult Day Care Fund	1,994,084	1,994,084
07. Child Protective Services/CPS Investigative Services – Child Medical Evaluation Program	901,868	901,868
08. Special Children Adoption Incentive Fund	462,600	462,600
09. Child Protective Services – Child Welfare Training for Counties (Transfer From TANF)	1,300,000	1,300,000
10. Child Protective Services – Child Welfare Training for Counties	737,067	737,067

11. Home and Community Care Block Grant (HCCBG)	1,696,888	1,696,888
12. Child Advocacy Centers	582,000	582,000
13. Guardianship – Division of Social Services	815,362	815,362
14. Foster Care Services (Transfer From TANF)	1,385,152	1,385,152
Division of Central Management and Support		
15. DHHS Competitive Block Grants for Nonprofits	4,508,754	4,476,620
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
16. Mental Health Services – Adult and Child/Developmental Disabilities Program/ Substance Abuse Services – Adult	4,030,730	4,030,730
DHHS Program Expenditures		
Division of Services for the Blind		
17. Independent Living Program	3,361,323	3,361,323
Division of Health Service Regulation		
18. Adult Care Licensure Program	381,087	381,087
19. Mental Health Licensure and Certification Program	190,284	190,284
Division of Aging and Adult Services		
20. Guardianship	3,992,213	3,992,213
DHHS Administration		
21. Division of Aging and Adult Services	577,745	577,745
22. Division of Social Services	634,680	634,680
23. Office of the Secretary/Controller's Office	127,731	127,731
24. Legislative Increases/Fringe Benefits	236,278	236,278
25. Division of Child Development and Early Education	13,878	13,878

26. Division of Mental Health, Developmental Disabilities, and Substance Abuse Services	27,446	27,446
27. Division of Health Service Regulation	118,946	118,946
TOTAL SOCIAL SERVICES BLOCK GRANT	**$69,521,667**	**$69,521,667**

LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT

Local Program Expenditures

Division of Social Services

01. Low-Income Energy Assistance Program (LIEAP)	$36,402,610	$35,419,272
02. Crisis Intervention Program (CIP)	36,402,610	35,419,272

Local Administration

Division of Social Services

03. County DSS Administration	5,978,512	5,817,014

DHHS Administration

Division of Central Management and Support

04. Division of Social Services	10,000	10,000
05. Office of the Secretary/DIRM	252,603	128,954
06. Office of the Secretary/Controller's Office	18,378	18,378
07. NC FAST Development	139,991	2,468,390
08. NC FAST Operations and Maintenance	2,135,701	2,539,033

Transfers to Other State Agencies

Department of Environmental Quality

09. Weatherization Program	10,716,043	10,426,573
10. Heating Air Repair and Replacement Program (HARRP)	5,701,752	5,547,732
11. Local Residential Energy Efficiency Service Providers – Weatherization	439,982	428,097

12. Local Residential Energy Efficiency Service Providers – HARRP	234,105	227,781
13. DENR – Weatherization Administration	439,982	428,097
14. DENR – HARRP Administration	234,105	227,781
Department of Administration		
15. N.C. Commission on Indian Affairs	87,736	87,736
TOTAL LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT	**$99,194,110**	**$99,194,110**
CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT		
Local Program Expenditures		
Division of Child Development and Early Education		
01. Child Care Services (Smart Start $7,000,000)	$152,923,849	$152,416,794
02. Transfer from TANF Block Grant for Child Care Subsidies	71,773,001	71,773,001
03. Quality and Availability Initiatives (TEACH Program $3,800,000)	45,761,678	45,761,678
DHHS Administration		
Division of Child Development and Early Education		
04. DCDEE Administrative Expenses	9,042,159	9,042,159
Division of Social Services		
05. Local Subsidized Child Care Services Support	16,436,361	16,436,361
06. Direct Deposit for Child Care Payments	505,100	505,100
Division of Central Management and Support		
07. NC FAST Development	24,237	427,865
08. NC FAST Operations and Maintenance	2,758,389	2,468,390
09. DHHS Central Administration – DIRM Technical Services	645,162	645,162

10. Central Regional Maintenance	287,854	287,854
11. DHHS Central Administration	7,346	7,346
Division of Public Health		
12. Child Care Health Consultation Contracts	62,205	62,205
TOTAL CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT	**$300,227,341**	**$299,833,915**
MENTAL HEALTH SERVICES BLOCK GRANT		
Local Program Expenditures		
01. Mental Health Services – Child	$3,619,833	$3,619,833
02. Mental Health Services – Adult/Child	10,967,792	10,967,792
03. Crisis Solutions Initiative – Critical Time Intervention	750,000	750,000
04. Mental Health Services – First Psychotic Symptom Treatment	1,430,851	1,430,851
DHHS Administration		
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
05. Administration	200,000	200,000
TOTAL MENTAL HEALTH SERVICES BLOCK GRANT	**$16,968,476**	**$16,968,476**
SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT		
Local Program Expenditures		
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
01. Substance Abuse – HIV and IV Drug	$3,919,723	$3,919,723
02. Substance Abuse Prevention	8,998,382	8,998,382
03. Substance Abuse Services – Treatment for Children/Adults (Medication-Assisted Opioid Use Disorder Treatment Pilot Program $500,000; First Step Farm of WNC, Inc. $100,000)	27,722,717	27,621,286
04. Crisis Solutions Initiatives – Walk-In		

Crisis Centers	420,000	420,000
05. Crisis Solutions Initiatives – Collegiate Wellness/Addiction Recovery	1,085,000	1,085,000
06. Crisis Solutions Initiatives – Community Paramedic Mobile Crisis Management	60,000	60,000
07. Crisis Solutions Initiatives – Innovative Technologies	41,000	41,000
DHHS Program Expenditures		
Division of Central Management and Support		
08. Competitive Block Grant	1,600,000	1,600,000
DHHS Administration		
Division of Mental Health, Developmental Disabilities, and Substance Abuse Services		
09. Administration	454,000	454,000
10. Controlled Substance Reporting System Enhancement	326,224	427,655
Division of Public Health		
11. HIV Testing for Individuals in Substance Abuse Treatment	965,949	965,949
Transfers to Other State Agencies		
Department of Military and Veterans Affairs		
12. Crisis Solutions Initiative – Veteran's Crisis	250,000	250,000
TOTAL SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT	**$45,842,995**	**$45,842,995**
MATERNAL AND CHILD HEALTH BLOCK GRANT		
Local Program Expenditures		
Division of Public Health		
01. Women and Children's Health Services (Safe Sleep Campaign $45,000; Prevent Blindness $575,000; March of Dimes $350,000; Teen Pregnancy Prevention Initiatives $650,000;		

17P Project $52,000; Nurse-Family Partnership $550,000; Carolina Pregnancy Care Fellowship $400,000; Perinatal & Neonatal Outreach Coordinator Contracts $440,000)	$14,002,435	$14,002,435
02. Oral Health	48,227	48,227
03. Evidence-Based Programs in Counties With Highest Infant Mortality Rates	1,575,000	1,575,000
DHHS Program Expenditures		
04. Children's Health Services	1,427,323	1,427,323
05. Women's Health – Maternal Health	169,864	169,864
06. Women and Children's Health – Perinatal Strategic Plan Support Position	68,245	68,245
07. State Center for Health Statistics	158,583	158,583
08. Health Promotion – Injury and Violence Prevention	87,271	87,271
DHHS Administration		
09. Division of Public Health Administration	552,571	552,571
TOTAL MATERNAL AND CHILD HEALTH BLOCK GRANT	**$18,089,519**	**$18,089,519**
PREVENTIVE HEALTH SERVICES BLOCK GRANT		
Local Program Expenditures		
01. Physical Activity and Prevention	$3,545,093	$3,545,093
02. Injury and Violence Prevention (Services to Rape Victims – Set-Aside)	180,778	180,778
DHHS Program Expenditures		
Division of Public Health		
03. HIV/STD Prevention and Community Planning	145,819	145,819
04. Oral Health Preventive Services	451,809	451,809
05. Laboratory Services – Testing, Training, and Consultation	21,012	21,012

06. Injury and Violence Prevention (Services to Rape Victims – Set-Aside)	192,315	192,315
07. State Laboratory Services – Testing, Training, and Consultation	199,634	199,634
08. Performance Improvement and Accountability	1,104,455	1,104,455
09. State Center for Health Statistics	107,291	107,291
DHHS Administration		
Division of Public Health		
10. Division of Public Health	172,820	172,820
TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT	**$6,121,026**	**$6,121,026**
COMMUNITY SERVICES BLOCK GRANT		
01. Community Action Agencies	$24,187,142	$24,187,142
02. Limited Purpose Agencies	1,343,730	1,343,730
03. Office of Economic Opportunity	1,343,730	1,343,730
TOTAL COMMUNITY SERVICES BLOCK GRANT	**$26,874,602**	**$26,874,602**

GENERAL PROVISIONS

SECTION 11L.1.(b) Information to Be Included in Block Grant Plans. – The Department of Health and Human Services shall submit a separate plan for each Block Grant received and administered by the Department, and each plan shall include the following:

(1) A delineation of the proposed allocations by program or activity, including State and federal match requirements.

(2) A delineation of the proposed State and local administrative expenditures.

(3) An identification of all new positions to be established through the Block Grant, including permanent, temporary, and time-limited positions.

(4) A comparison of the proposed allocations by program or activity with two prior years' program and activity budgets and two prior years' actual program or activity expenditures.

(5) A projection of current year expenditures by program or activity.

(6) A projection of federal Block Grant funds available, including unspent federal funds from the current and prior fiscal years.

SECTION 11L.1.(c) Changes in Federal Fund Availability. – If the Congress of the United States increases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the

Department shall allocate the increase proportionally across the program and activity appropriations identified for that Block Grant in this section. In allocating an increase in federal fund availability, the Office of State Budget and Management shall not approve funding for new programs or activities not appropriated in this section.

If the Congress of the United States decreases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall develop a plan to adjust the Block Grants based on reduced federal funding.

Notwithstanding the provisions of this subsection, for fiscal years 2017-2018 and 2018-2019, increases in the federal fund availability for the Temporary Assistance to Needy Families (TANF) Block Grant shall be used only for the North Carolina Child Care Subsidy program to pay for child care in four- or five-star rated facilities for four-year-old children and shall not be used to supplant State funds.

Prior to allocating the change in federal fund availability, the proposed allocation must be approved by the Office of State Budget and Management. If the Department adjusts the allocation of any Block Grant due to changes in federal fund availability, then a report shall be made to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

SECTION 11L.1.(d) Except as otherwise provided, appropriations from federal Block Grant funds are made for each year of the fiscal biennium ending June 30, 2019, according to the schedule enacted for State fiscal years 2017-2018 and 2018-2019 or until a new schedule is enacted by the General Assembly.

SECTION 11L.1.(e) All changes to the budgeted allocations to the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services that are not specifically addressed in this section shall be approved by the Office of State Budget and Management, and the Office of State Budget and Management shall consult with the Joint Legislative Oversight Committee on Health and Human Services for review prior to implementing the changes. The report shall include an itemized listing of affected programs, including associated changes in budgeted allocations. All changes to the budgeted allocations to the Block Grants shall be reported immediately to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. This subsection does not apply to Block Grant changes caused by legislative salary increases and benefit adjustments.

SECTION 11L.1.(f) Except as otherwise provided, the Department of Health and Human Services shall have flexibility to transfer funding between the Temporary Assistance for Needy Families (TANF) Block Grant and the TANF Emergency Contingency Funds Block Grant so long as the total allocation for the line items within those block grants remains the same.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS

SECTION 11L.1.(g) The sum of eighty million ninety-three thousand five hundred sixty-six dollars ($80,093,566) for each year of the 2017-2019 fiscal biennium appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, shall be used for Work First County Block Grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds among the State-level services based on current year actual expenditures. The Division shall also have the authority to realign appropriated funds from Work First Family Assistance for electing counties to the Work First County Block Grant for electing counties based on current year expenditures so long as the electing counties meet Maintenance of Effort requirements.

SECTION 11L.1.(h) The sum of nine million four hundred twelve thousand three hundred ninety-one dollars ($9,412,391) appropriated in this section to the Department of Health and Human Services, Division of Social Services, in TANF funds for each fiscal year of the 2017-2019 fiscal biennium for child welfare improvements shall be allocated to the county departments of social services for hiring or contracting staff to investigate and provide services in Child Protective Services cases; to provide foster care and support services; to recruit, train, license, and support prospective foster and adoptive families; and to provide interstate and post-adoption services for eligible families.

Counties shall maintain their level of expenditures in local funds for Child Protective Services workers. Of the Block Grant funds appropriated for Child Protective Services workers, the total expenditures from State and local funds for fiscal years 2017-2018 and 2018-2019 shall not be less than the total expended from State and local funds for the 2012-2013 fiscal year.

SECTION 11L.1.(i) The sum of two million twenty-six thousand eight hundred seventy-seven dollars ($2,026,877) appropriated in this section in TANF funds to the Department of Health and Human Services, Special Children Adoption Fund, for each fiscal year of the 2017-2019 fiscal biennium shall be used in accordance with G.S. 108A-50.2. The Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop guidelines for the awarding of funds to licensed public and private adoption agencies upon the adoption of children described in G.S. 108A-50 and in foster care. Payments received from the Special Children Adoption Fund by participating agencies shall be used exclusively to enhance the adoption services program. No local match shall be required as a condition for receipt of these funds.

SECTION 11L.1.(j) The sum of one million four hundred thousand dollars ($1,400,000) appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, for each fiscal year of the 2017-2019 fiscal biennium shall be used for child welfare initiatives to (i) enhance the skills of social workers to improve the outcomes for families and children involved in child welfare and (ii) enhance the provision of services to families in their homes in the least restrictive setting.

SOCIAL SERVICES BLOCK GRANT

SECTION 11L.1.(k) The sum of thirty-two million nine hundred seventy-one thousand four hundred ninety-eight dollars ($32,971,498) for the 2017-2018 fiscal year and the sum of thirty-three million three thousand six hundred thirty-two dollars ($33,003,632) for the 2018-2019 fiscal year appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, shall be used for county block grants. The Division shall certify these funds in the appropriate State-level services based on prior year actual expenditures. The Division has the authority to realign the authorized budget for these funds, as well as State Social Services Block Grant funds, among the State-level services based on current year actual expenditures.

Of the funds appropriated in this subsection for each year of the 2017-2019 fiscal biennium for county block grants, three million dollars ($3,000,000) shall be used to assist counties in the implementation of Project 4, Child Services, in North Carolina Families Accessing Services Through Technology (NC FAST). These funds shall be available in each fiscal year of the fiscal biennium for this purpose.

SECTION 11L.1.(*l*) The sum of one million three hundred thousand dollars ($1,300,000) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for each fiscal year of the 2017-2019 fiscal biennium shall be used to support various child welfare training projects as follows:

(1) Provide a regional training center in southeastern North Carolina.
(2) Provide training for residential child caring facilities.
(3) Provide for various other child welfare training initiatives.

SECTION 11L.1.(m) The Department of Health and Human Services is authorized, subject to the approval of the Office of State Budget and Management, to transfer Social Services Block Grant funding allocated for departmental administration between divisions that have received administrative allocations from the Social Services Block Grant.

SECTION 11L.1.(n) Social Services Block Grant funds appropriated for the Special Children Adoption Incentive Fund shall require a fifty percent (50%) local match.

SECTION 11L.1.(o) The sum of five million forty thousand dollars ($5,040,000) appropriated in this section in the Social Services Block Grant for each fiscal year of the 2017-2019 fiscal biennium shall be allocated to the Department of Health and Human Services, Division of Social Services. The Division shall allocate these funds to local departments of social services to replace the loss of Child Protective Services State funds that are currently used by county governments to pay for Child Protective Services staff at the local level. These funds shall be used to maintain the number of Child Protective Services workers throughout the State. These Social Services Block Grant funds shall be used to pay for salaries and related expenses only and are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%).

SECTION 11L.1.(p) The sum of four million five hundred eight thousand seven hundred fifty-four dollars ($4,508,754) for the 2017-2018 fiscal year and the sum of four million four hundred seventy-six thousand six hundred twenty dollars ($4,476,620) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services (DHHS), Division of Central Management and Support, shall be used for DHHS competitive block grants pursuant to Section 11A.14 of this act. These funds are exempt from the provisions of 10A NCAC 71R .0201(3).

SECTION 11L.1.(q) The sum of five hundred eighty-two thousand dollars ($582,000) appropriated in this section in the Social Services Block Grant for each fiscal year of the 2017-2019 fiscal biennium to the Department of Health and Human Services, Division of Social Services, shall be used to continue support for the Child Advocacy Centers, and the funds are exempt from the provisions of 10A NCAC 71R .0201(3).

SECTION 11L.1.(r) The sum of three million nine hundred ninety-two thousand two hundred thirteen dollars ($3,992,213) for each fiscal year of the 2017-2019 fiscal biennium appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Divisions of Social Services and Aging and Adult Services, shall be used for guardianship services pursuant to Chapter 35A of the General Statutes. The Department may expend funds appropriated in this section to support existing corporate guardianship contracts during the 2017-2018 and 2018-2019 fiscal years.

SECTION 11L.1.(s) The sum of seven hundred thirty-seven thousand sixty-seven dollars ($737,067) appropriated in this section in the Social Services Block Grant for each fiscal year of the 2017-2019 fiscal biennium shall be allocated to the Department of Health and Human Services, Division of Social Services. These funds shall be used to assist with training needs for county child welfare training staff and shall not be used to supplant any other source of funding for staff. County departments of social services are exempt from 10A NCAC 71R .0201(3) requiring a local match of twenty-five percent (25%).

LOW-INCOME ENERGY ASSISTANCE BLOCK GRANT

SECTION 11L.1.(t) Additional emergency contingency funds received may be allocated for Energy Assistance Payments or Crisis Intervention Payments without prior consultation with the Joint Legislative Oversight Committee on Health and Human Services. Additional funds received shall be reported to the Joint Legislative Oversight Committee on

Health and Human Services and the Fiscal Research Division upon notification of the award. The Department of Health and Human Services shall not allocate funds for any activities, including increasing administration, other than assistance payments, without prior consultation with the Joint Legislative Oversight Committee on Health and Human Services.

SECTION 11L.1.(u) The sum of thirty-six million four hundred two thousand six hundred ten dollars ($36,402,610) for the 2017-2018 fiscal year and the sum of thirty-five million four hundred nineteen thousand two hundred seventy-two dollars ($35,419,272) for the 2018-2019 fiscal year appropriated in this section in the Low-Income Energy Assistance Block Grant to the Department of Health and Human Services, Division of Social Services, shall be used for Energy Assistance Payments for the households of (i) elderly persons age 60 and above with income up to one hundred thirty percent (130%) of the federal poverty level and (ii) disabled persons eligible for services funded through the Division of Aging and Adult Services.

County departments of social services shall submit to the Division of Social Services an outreach plan for targeting households with 60-year-old household members no later than August 1 of each year. The outreach plan shall comply with the following:

(1) Ensure that eligible households are made aware of the available assistance, with particular attention paid to the elderly population age 60 and above and disabled persons receiving services through the Division of Aging and Adult Services.

(2) Include efforts by the county department of social services to contact other State and local governmental entities and community-based organizations to (i) offer the opportunity to provide outreach and (ii) receive applications for energy assistance.

(3) Be approved by the local board of social services or human services board prior to submission.

CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

SECTION 11L.1.(v) Payment for subsidized child care services provided with federal TANF funds shall comply with all regulations and policies issued by the Division of Child Development and Early Education for the subsidized child care program.

SECTION 11L.1.(w) If funds appropriated through the Child Care and Development Fund Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order to use the federal funds fully.

MENTAL HEALTH SERVICES BLOCK GRANT

SECTION 11L.1.(x) The sum of one million four hundred thirty thousand eight hundred fifty-one dollars ($1,430,851) appropriated in this section in the Mental Health Services Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each fiscal year of the 2017-2019 fiscal biennium is allocated for Mental Health Services – First Psychotic Symptom Treatment. The Division shall report on (i) the specific evidence-based treatment and services provided, (ii) the number of persons treated, and (iii) the measured outcomes or impact on the participants served. The Division shall report to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31 of each year.

SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT

SECTION 11L.1.(y) The sum of two hundred fifty thousand dollars ($250,000) appropriated in this section in the Substance Abuse Prevention and Treatment Block Grant to

the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each fiscal year of the 2017-2019 fiscal biennium shall be allocated to the Department of Military and Veterans Affairs, for the call-in center established to assist veterans in locating service benefits and crisis services. The call-in center shall be staffed by certified veteran peers within the Department of Military and Veterans Affairs and trained by the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services.

SECTION 11L.1.(z) The sum of five hundred thousand dollars ($500,000) allocated in this section in the Substance Abuse Prevention and Treatment Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for each fiscal year of the 2017-2019 fiscal biennium shall be used for a medication-assisted opioid use disorder treatment pilot program.

MATERNAL AND CHILD HEALTH BLOCK GRANT

SECTION 11L.1.(aa) If federal funds are received under the Maternal and Child Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. § 710), for the 2017-2018 fiscal year or the 2018-2019 fiscal year, then those funds shall be transferred to the State Board of Education to be administered by the Department of Public Instruction. The Department of Public Instruction shall use the funds to establish an abstinence until marriage education program and shall delegate to one or more persons the responsibility of implementing the program and G.S. 115C-81(e1)(4) and (4a). The Department of Public Instruction shall carefully and strictly follow federal guidelines in implementing and administering the abstinence education grant funds.

SECTION 11L.1.(bb) The sum of one million five hundred seventy-five thousand dollars ($1,575,000) appropriated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, for each fiscal year of the 2017-2019 fiscal biennium shall be used for evidence-based programs in counties with the highest infant mortality rates. The Division shall report on (i) the counties selected to receive the allocation, (ii) the specific evidence-based services provided, (iii) the number of women served, and (iv) any impact on the counties' infant mortality rate. The Division shall report its findings to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31 of each year.

SECTION 11L.1.(cc) No more than fifteen percent (15%) of the funds provided in this section in the Maternal and Child Health Block Grant to Carolina Pregnancy Care Fellowship shall be used for administrative purposes. The balance of those funds shall be used for direct services.

SECTION 11L.1.(dd) The sum of sixty-eight thousand two hundred forty-five dollars ($68,245) allocated in this section in the Maternal and Child Health Block Grant to the Department of Health and Human Services, Division of Public Health, Women and Children's Health Section, for each fiscal year of the 2017-2019 fiscal biennium shall not be used to supplant existing State or federal funds. This allocation shall be used for a Public Health Program Consultant position assigned full-time to manage the North Carolina Perinatal Health Strategic Plan and provide staff support for the stakeholder work group.

PART XII. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

ELIMINATE PESTICIDE ADVISORY COMMITTEE

SECTION 12.1.(a) Effective July 1, 2017, the Pesticide Advisory Committee is abolished, and all records, property, and unexpended balances of funds of the Committee are

transferred to the Structural Pest Control and Pesticides Division of the Department of Agriculture and Consumer Services.

SECTION 12.1.(b) G.S. 143-439 and subdivision (6) of G.S. 143-460 are repealed.

SUPPLEMENTAL FUNDING FOR DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

SECTION 12.2. The sum of one million dollars ($1,000,000) in recurring funds for each year of the 2017-2019 fiscal biennium appropriated in this act to the Department of Agriculture and Consumer Services shall be used to supplement funding to the Department. The Department may use a portion of the funds to offset costs potentially incurred by the Department in federal litigation to protect the rights of landowners and citizens of the State impacted by the Environmental Protection Agency's "Waters of the United States" rule. In accordance with G.S. 147-17(c1), as amended by this act, and G.S. 114-2.3(d), as amended by this act, the Department may use the funds described in this section to employ and supervise private counsel if it decides to participate in the federal litigation.

PART XIII. DEPARTMENT OF ENVIRONMENTAL QUALITY

I & M AIR POLLUTION CONTROL ACCOUNT

SECTION 13.1. G.S. 143-215.3A(b1) reads as rewritten:

"(b1) The I & M Air Pollution Control Account is established as a nonreverting account within the Department. Fees transferred to the Division of Air Quality of the Department pursuant to G.S. 20-183.7(c) shall be credited to the I & M Air Pollution Control Account and shall be applied to ~~the costs of developing and implementing an air pollution control program for mobile sources.~~administering the air quality program."

VOLKSWAGEN SETTLEMENT FUNDS

SECTION 13.2.(a) In developing the "Beneficiary Mitigation Plan" (Plan) as mandated in the procedures for distribution of the State's share of the environmental mitigation trust established in the consent decree resolving the case *In Re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation*, Civil Case No. 3:15-md-02672 in the United States District Court for the Northern District of California, the agency designated by the Governor as the lead agency under the procedures set forth in the trust agreement shall be guided by the following parameters:

(1) The Plan shall prioritize spending on funding categories that will attract new employers to the State or will encourage job growth from existing employers.

(2) Expenditures of funds received under the Plan shall be used in a manner that will prioritize benefits to small businesses.

(3) Any expenditures of funds received under the Plan for replacement or repowering of vehicles shall prioritize new diesel or alternate fueled engines and parts that are manufactured in this State.

SECTION 13.2.(b) As set forth in G.S. 114-2.4A(f), no funds may be expended under the Plan until the lead agency has submitted the Plan to the Joint Legislative Commission on Governmental Operations, the chairs of the House and Senate Appropriations Committees, and the Fiscal Research Division and the General Assembly has appropriated the funds. The lead agency designated by the Governor shall revise and resubmit the Plan to the trustee following the procedures set forth in the trust agreement to be consistent with the appropriation.

PRE-REGULATORY LANDFILL REPURPOSING

SECTION 13.3. Notwithstanding G.S. 130A-310.11(b), one million dollars ($1,000,000) of the funds credited to the Inactive Hazardous Sites Cleanup Fund under G.S. 105-187.63 for the assessment and remediation of pre-1983 landfills shall instead be allocated to the City of Havelock for the repurposing of the Phoenix Recycling site.

PRE-REGULATORY LANDFILL ASSUMPTION OF RISK

SECTION 13.4.(a) G.S. 130A-310.6(c) reads as rewritten:

"(c) The Secretary shall use funds allocated to the Department under ~~G.S. 130A-295.9(1)~~ G.S. 130A-295.9 to assess pre-1983 landfills, to determine the priority for remediation of pre-1983 landfills, and to develop and implement a remedial action plan for each pre-1983 landfill that requires remediation. Environmental and human health risks posed by a pre-1983 landfill may be mitigated using a risk-based approach for assessment and remediation. The Secretary shall develop a program to permit owners of property containing a pre-1983 landfill to suspend the further application of requirements of the program authorized by this subsection for as long as the owner continues to own the property if the owner complies with all of the following requirements:

(1) The property owner signs an assumption of liability agreement agreeing to accept all liability for potential on-site and off-site impacts caused by the pre-1983 landfill.

(2) The property owner provides financial assurance for any future impacts. The Department shall set the financial assurance requirement in a reasonable manner based on the information on current site conditions and historical disposal records or other information provided by the property owner. The requirement for financial assurance of this subdivision shall not apply where (i) the pre-1983 landfill served as the municipal landfill for a unit of local government and (ii) the unit of local government provided no financial compensation for the waste disposal to the owner of the landfill site."

SECTION 13.4.(b) The Department may issue temporary and permanent rules to implement this section.

SECTION 13.4.(c) The Department shall provide an interim report on its implementation of this section no later than April 1, 2018, and recurring updates on February 1 of each subsequent year until the Department has issued either a final guidance document or final rules implementing this section. The reports shall be submitted to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division.

STUDY SOLID WASTE DISPOSAL TAX

SECTION 13.5. The Environmental Review Commission shall study North Carolina's solid waste disposal tax imposed under Article 5G of Chapter 105 of the General Statutes. In conducting this study, the Commission shall examine (i) a detailed history of the annual revenue generated from the tax and its distribution over time to the Department of Environmental Quality and local governments; (ii) a detailed history of expenditures by the Department of Environmental Quality of tax proceeds received to date, including to whom and for what purposes the expenditures were made; (iii) all work completed by the Department of Environmental Quality using proceeds of the tax, including detailed information on the location of sites at which work was performed and a summary of the status of said sites; (iv) plans for future work to be conducted by the Department of Environmental Quality using proceeds of the tax, including detailed information on sites to be addressed and proposed schedules for work; (v) the current balance of the Inactive Hazardous Sites Cleanup Fund; and (vi) any other issue

the Commission deems relevant. The Environmental Review Commission shall report its findings and recommendations, including any legislative proposals, to the 2018 Regular Session of the 2017 General Assembly upon its convening.

STUDY EROSION AND SEDIMENT CONTROL/NPDES STORMWATER MERGER

SECTION 13.6. The Department of Environmental Quality shall study the abolishment of the Sedimentation Control Commission and transfer of duties to the Environmental Management Commission and a subsequent combination of the Sedimentation and Erosion Control permitting program with the Department's NPDES Stormwater permitting program. In its report, the Department shall set forth the potential cost savings from abolishing the Sedimentation Control Commission and the program merger, any positive or negative impacts on ease of environmental permitting and permit processing and issuance times, and any other impacts on each program and on the workload of the Environmental Management Commission. The Department shall provide its report no later than April 1, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division.

DIGITAL DATA STUDY

SECTION 13.7. The North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill shall develop a proposal to identify and acquire digital data relevant to environmental monitoring and natural resource management, including, but not limited to, the digitization of analog records. In developing the proposal, the Collaboratory shall consult with the Department of Environmental Quality and the Department of Information Technology. The Collaboratory shall assess the feasibility of transferring these data to a central, searchable, and publicly accessible digital database hosted by The University of North Carolina System. The Collaboratory shall provide its proposal no later than March 1, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division.

STUDY ACQUISITION OF DEDICATED DREDGING CAPACITY

SECTION 13.8.(a) The Division of Water Resources of the Department of Environmental Quality shall study the feasibility and cost-effectiveness of the acquisition by the State of North Carolina of a hopper dredge. The study shall include all of the following:

(1) The capital and annual operating costs of the hopper dredge.

(2) The expected level of utilization of a State-owned hopper dredge and opportunities for defraying operating expenses by the sale of dredging services to other states, the federal government, and private parties.

(3) Options for minimizing costs and increasing cost-effectiveness, including an evaluation of public-private partnerships and shared ownership arrangements with neighboring states or the United States Army Corps of Engineers.

SECTION 13.8.(b) The Department shall provide its study and any recommendations for fiscal or legislative actions no later than April 1, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division.

WATER AND WASTEWATER INFRASTRUCTURE

SECTION 13.9.(a) Of the funds appropriated in this act to the Division of Water Infrastructure for State water and wastewater infrastructure grants, the sum of one hundred thousand dollars ($100,000) shall be allocated to the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill to develop and deploy, in consultation with the Local Government Commission, the Division of Water Infrastructure of the Department of Environmental Quality, and the Environmental Finance Center at the University of North Carolina at Chapel Hill School of Government (the Center), a predictive analysis tool to assess the state of municipal water and wastewater infrastructure within the State. At a minimum, this analysis shall build upon the findings and data included in the 2017 Statewide Water and Wastewater Infrastructure Master Plan published by the North Carolina Division of Water Infrastructure and the North Carolina water and wastewater rates dashboard online tool created and operated by the Center.

The analysis shall also consider how to quantify and make available to policymakers additional variables and information pertaining to infrastructure management such as (i) the physical description and physical condition of the infrastructure, (ii) time lines and projected costs of infrastructure operation, maintenance, repair, and replacement necessary to ensure operational efficiency and engineering integrity, (iii) measures of the fiscal health of the owner or operator of the infrastructure based on existing infrastructure valuation, current ratepayer revenue, projected ratepayer revenue tied to population growth or population decline, and rate schedule, (iv) a summary of shutdowns and failures of the infrastructure, (v) potential opportunities for regionalization or privatization of the infrastructure, (vi) benchmarking, asset inventory, and other relevant variables and data required to effectively manage infrastructure, and (vii) any other variables deemed appropriate for a valid analysis of future costs and concerns related to the infrastructure.

SECTION 13.9.(b) A portion of the funds allocated by this section may be used to supplement grants provided by the State Water Infrastructure Authority and administered by the North Carolina Division of Water Infrastructure in order to gather additional data from municipalities and counties carrying out asset inventory and assessments. No indirect facilities and administrative costs shall be charged by the University against the funds transferred by this subsection. Notwithstanding any other provision of law, the Collaboratory shall also be eligible for, and have access to, the North Carolina Government Data Analytics Center to carry out the requirements of this section.

SECTION 13.9.(c) The Collaboratory shall provide a summary of the predictive analysis tool and its other findings and recommendations no later than December 31, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Environmental Review Commission, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division.

WATER INFRASTRUCTURE STATE MATCH SURPLUS FUNDS

SECTION 13.10. Notwithstanding G.S. 159G-22, funds appropriated in this act to the Division of Water Infrastructure for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund to provide State matching funds that are in excess of the amount required to draw down the maximum amount of federal capitalization grant funds may be used for State water and wastewater infrastructure grants awarded from the Wastewater Reserve and the Drinking Water Reserve that benefit rural and economically distressed areas of the State.

COASTAL STORM DAMAGE MITIGATION FUND

SECTION 13.11. Article 21 of Chapter 143 of the General Statutes is amended by adding a new Part to read:

"Part 8D. Coastal Storm Damage Mitigation.

"**§ 143-215.73M. Coastal Storm Damage Mitigation Fund.**

(a) Fund Established. – The Coastal Storm Damage Mitigation Fund is established as a special revenue fund. The Fund consists of General Fund appropriations, gifts, grants, devises, monies contributed by a non-State entity for a particular beach nourishment or damage mitigation project or group of projects, and any other revenues specifically allocated to the Fund by an act of the General Assembly.

(b) Uses of the Fund. – Revenue credited to the Fund may only be used for costs associated with beach nourishment, artificial dunes, and other projects to mitigate or remediate coastal storm damage to the ocean beaches and dune systems of the State.

(c) Conditions on Funding. – Any project funded by revenue from the Fund must be cost shared with non-State dollars as follows:

(1) The cost share for dredging projects located, in whole or part, in a development tier one area, as defined in G.S. 143B-437.08, shall be at least one non-State dollar for every three dollars from the Fund.

(2) The cost share for dredging projects not located, in whole or part, in a development tier one area shall be at least one non-State dollar for every two dollars from the Fund.

(d) Return of Non-State Entity Funds. – Non-State entities that contribute to the Fund for a particular project or group of projects may make a written request to the Secretary that the contribution be returned if the contribution has not been spent or encumbered within two years of receipt of the contribution by the Fund. If the written request is made prior to the funds being spent or encumbered, the Secretary shall return the funds to the entity within 30 days after the later of (i) receiving the request or (ii) the expiration of the two-year period described by this subsection."

OYSTER RESEARCH REPORTING

SECTION 13.12. The Division of Marine Fisheries and the University of North Carolina at Wilmington shall annually report no later than March 1 to the chairs of the Senate and the House of Representatives appropriations committees with jurisdiction over natural and economic resources and the Fiscal Research Division regarding the funding for oyster research and restoration activities provided by this act. The report shall include details regarding the use of the funds, including activities completed and additional personnel supported by the funds.

CONTINUE RESEARCH SUPPORT FOR SHELLFISH INDUSTRY

SECTION 13.13.(a) Section 14.11 of S.L. 2016-94 reads as rewritten:

"**PROMOTE SHELLFISH INDUSTRY**

...

"**SECTION 14.11.(d)** The ~~Chief Sustainability Officer of~~North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill shall convene a stakeholder working group to study and advance efforts to ecologically restore and achieve economic stability of the shellfish ~~aquaculture~~ industry, including (i) how best to spend financial resources to counter declining native oyster populations and shellfish habitats; (ii) the use of ~~nonnative~~ appropriate oyster species to accomplish oyster restoration; (iii) means of combating oyster disease and managing harvesting practices to balance the needs of the industry and promote long-term viability and health of oyster habitat and substrate; (iv) ~~economic aquaculture~~economically and scientifically sound mariculture methods to improve oyster stock and populations; (v) long-term, dedicated options for funding sources and water quality improvements; (vi) means to increase oyster production for both population growth and

~~harvest;~~harvest, including the use of triploid oyster species; (vii) options that expand ~~the use of~~ private shellfish hatchery capacity in the State; (viii) options for promoting the use of cultch planting to enhance and increase oyster habitat and population; (ix) other resources that might be leveraged to enhance reform efforts; and (x) any other issue the ~~Institute~~ Collaboratory deems relevant.

"**SECTION 14.11.(e)** In the conduct of the study required by subsection (d) of this section, the ~~Officer~~ Collaboratory shall convene and consult with a stakeholders group that ~~includes representatives of the commercial and recreational oyster harvesting industries, the North Carolina Division of Marine Fisheries, the Marine Fisheries Commission, nature conservation entities, and experts in the fields of marine biology and marine ecology.~~may consist of representatives from appropriate State and federal agencies; academic institutions; nongovernmental organizations; representatives of any industry working in, or benefitting from, shellfish mariculture; and any other individuals or groups deemed by the Collaboratory as being relevant to the overall success of the study. Nothing in this subsection is intended to require a particular process or level of procedural formality for the stakeholders group.

...."

SECTION 13.13.(b) In addition to the study required by Subsection 14.11(d) of S.L. 2016-94, the North Carolina Policy Collaboratory shall also prepare and deliver a Shellfish Mariculture Plan by December 31, 2018. All State entities shall provide all information, resources, and support deemed relevant by the Collaboratory for the creation of the Shellfish Mariculture Plan. The plan shall be submitted to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division and shall consider the following:

(1) A summary of available and relevant information on shellfish mariculture.

(2) An analysis of existing programs, policies, rules, and laws that govern or affect shellfish mariculture operations within the State, including an examination of workforce training and marketing programs that could facilitate the growth of shellfish mariculture within the State.

(3) A summary of shellfish mariculture plans from other states and countries, including a comparison of how these entities (i) promote and manage shellfish mariculture, (ii) reduce barriers to entry for potential participants in shellfish mariculture, and (iii) offer incentives to encourage entry into shellfish mariculture.

(4) Analysis of siting strategies that reduce potential user conflicts impeding the siting of shellfish mariculture operations and that protect riparian property owners and the public trust uses of estuarine waters for navigation, fishing, and recreation.

(5) Evaluation and consideration of enforcement mechanisms necessary to protect shellfish mariculture operations from theft and degradation and to ensure that shellfish mariculture operations make productive and fair use of public trust coastal waters dedicated to these operations.

(6) Opportunities for local traditional fishermen to effectively compete for shellfish mariculture sites in public waters and participate in enterprises in or near their own communities.

(7) Examination of environmental policies that protect or enhance shellfish mariculture operations.

(8) Consideration of the most appropriate substrate for cultch planting, with consideration of regional differences in bottom conditions within the State that may require different substrates to maximize shellfish sustainability.

(9) Strategies to mitigate or eliminate shellfish pests such as DMX, Dermo, and boring sponges.

(10) Any other issues deemed relevant by the Collaboratory to grow and support shellfish mariculture within the State.

SECTION 13.13.(c) The University of North Carolina at Chapel Hill shall not charge indirect facilities and administrative costs against the funding for the studies required by this section.

SECTION 13.13.(d) The Economic Development Partnership of North Carolina, in consultation with the North Carolina Policy Collaboratory, the Department of Commerce, and the Department of Natural and Cultural Resources, and any other stakeholders the Partnership deems relevant, including the North Carolina Tourism Advisory Board, the North Carolina Restaurant and Lodging Association, the North Carolina Shellfish Growers Association, and the North Carolina Fisheries Association, shall develop conceptual plans and recommendations for economic development related to promotion of the State's shellfish harvesting heritage. The plans and recommendations shall include the creation of a North Carolina Oyster Trail and a North Carolina Oyster Festival. Plan development shall be congruent with the ongoing work of the North Carolina Policy Collaboratory and its stakeholder group as described in this section and shall include recommendations of locations, oversight, governmental support, cost, and timing of when such initiatives should be launched in the future, including, but not limited to, achieving production and acreage benchmarks, in addition to any other information deemed relevant for inclusion. The Partnership's recommendations shall be provided no later than March 1, 2018, to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division. This study, as it may be subsequently amended after submission, shall be included as an appendix to the Shellfish Mariculture Plan required by subsection (b) of this section.

MARINE PATROL/SHELLFISH SANITATION EQUIPMENT SALES

SECTION 13.14.(a) The Division of Marine Fisheries of the Department of Environmental Quality may sell the following equipment and vessels from its fleet in order to modernize the fleet:

(1) 1991 Lull telehandler.

(2) 1984 LRT-100 crane.

(3) 1999 Hudson Brothers lowboy trailer.

(4) 1970s-era 135' M/V West Bay vessel.

Notwithstanding G.S. 143C-6-4 or any other provision of law, the Division may spend funds received from the sales authorized by this subsection for future equipment acquisitions to support the Shellfish Rehabilitation and Habitat Enhancement Programs. The sales proceeds are appropriated for that purpose and shall be incorporated into the authorized budget of the Division.

SECTION 13.14.(b) The Division shall report to the Fiscal Research Division and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources on the proceeds of the sales authorized by this section and the Division's plan for use of the proceeds.

ASSENT TO PROVISIONS OF CERTAIN FEDERAL FISHERIES ACTS

SECTION 13.15.(a) The title of Article 23 of Chapter 113 of the General Statutes reads as rewritten:

"Article 23.

"Administrative Provisions; ~~Regulatory Authority of Wildlife Resources Commission.~~Assent to Certain Federal Acts."

SECTION 13.15.(b) G.S. 113-307.1 reads as rewritten:

"**§ 113-307.1. Legislative assent to specific federal acts.**

...

(b) The State of North Carolina hereby assents to the provisions of the act of Congress entitled "An act to provide that the United States shall aid the states in wildlife restoration projects, and for other purposes," approved September 2, 1937 (Public Law 415, 75th ~~Congress),~~ Congress, also known as the "Pittman-Robertson Act"), 16 U.S.C. § 669, et seq., as amended, and the Wildlife Resources Commission ~~is~~ and the Division of Marine Fisheries of the Department of Environmental Quality are hereby authorized, empowered, and directed to perform such acts as may be necessary to the conduct and establishment of cooperative wildlife restoration projects, as defined in ~~said act of Congress,~~ the Pittman-Robertson Act in compliance with ~~said act~~ the Act and rules and regulations promulgated by the Secretary of the Interior ~~thereunder; and no~~ thereunder. No funds accruing to the State of North Carolina from license fees paid by hunters shall be diverted for any other purpose than the protection and propagation of game and wildlife in North Carolina and administration of the laws enacted for such purposes, which laws are and shall be administered by the Wildlife Resources Commission. No funds accruing to the State of North Carolina from license fees paid by fishermen for license programs administered by the Division of Marine Fisheries shall be diverted for any other purpose than the administration by the Division of Marine Fisheries of the Department of Environmental Quality of the portion of the State's fish programs applicable to the marine and estuarine resources over which the Division has authority under State law. Revenues collected from coastal recreational fishing licenses in accordance with the provisions of G.S. 113-175.1(c) and G.S. 113-175.5(c) shall be used solely for the administration of the Division of Marine Fisheries and for program functions described by this subsection.

(c) Assent is hereby given to the provisions of the act of Congress entitled "An act to provide that the United States shall aid the states in fish restoration and management projects, and for other purposes," approved August 9, 1950 (Public Law 681, 81st ~~Congress),~~ Congress, also known as the "Dingell-Johnson Sport Fish Restoration Act"), 16 U.S.C. § 777, et seq., as amended, and the Wildlife Resources Commission ~~is~~ and the Division of Marine Resources of the Department of Environmental Quality are hereby authorized, empowered, and directed to perform such acts as may be necessary to the conduct and establishment of cooperative fish restoration projects, as defined in ~~said act of Congress,~~ the Dingell-Johnson Sport Fish Restoration Act in compliance with ~~said act~~ the Act and rules and regulations promulgated by the Secretary of the Interior thereunder; and no funds accruing to the State of North Carolina from license fees paid by fishermen shall be directed for any other purpose than the following:

(1) The administration of the Wildlife Resources Commission and ~~for~~ the protection, propagation, preservation, and investigation of fish and wildlife.

(2) The administration by the Division of Marine Fisheries of the Department of Environmental Quality of the portion of the State's fish programs applicable to the marine and estuarine resources over which the Division has authority under State law. Revenues collected from coastal recreational fishing licenses in accordance with the provisions of G.S. 113-175.1(c) and G.S. 113-175.5(c) shall be used solely for the administration of the Division of Marine Fisheries and for program functions described by this subdivision.

...."

SECTION 13.15.(c) G.S. 113-175.1 reads as rewritten:

"**§ 113-175.1. North Carolina Marine Resources Fund.**

...

(b) The State Treasurer shall hold the Marine Resources Fund separate and apart from all other moneys, funds, and accounts. The State Treasurer shall invest the assets of the Marine Resources Fund in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3, and all marine resources investment income shall be deposited to the credit of the Marine Resources Fund. The State Treasurer shall disburse the principal of the Marine Resources Fund and marine resources investment income only upon the written direction of the ~~Marine Fisheries Commission.~~Division of Marine Fisheries of the Department of Environmental Quality.

(c) The ~~Marine Fisheries Commission~~ Division of Marine Fisheries of the Department of Environmental Quality may authorize the disbursement of the principal of the Marine Resources Fund and marine resources investment income only to manage, protect, restore, develop, cultivate, conserve, and enhance the marine resources of the State. ~~The Marine Fisheries Commission is encouraged to consider supporting the Oyster Sanctuary Program managed by the Division of Marine Fisheries. The Marine Fisheries Commission~~ The Division of Marine Fisheries may not authorize the disbursement of the principal of the Marine Resources Fund and marine resources investment income to establish positions without specific authorization from the General Assembly. ~~All proposals to the Marine Fisheries Commission for the disbursement of funds from the Marine Resources Fund shall be made by and through the Fisheries Director.~~ Prior to authorizing disbursements from the Marine Resources Fund, the ~~Marine Fisheries Commission~~ Division of Marine Fisheries shall consult with the Wildlife Resources Commission about these proposals. Expenditure of the assets of the Marine Resources Fund shall be made through the State budget accounts of the Division of Marine Fisheries in accordance with the provisions of the Executive Budget Act. The Marine Resources Fund is subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes."

SECTION 13.15.(d) G.S. 113-175.5 reads as rewritten:

"**§ 113-175.5. North Carolina Marine Resources Endowment Fund.**

…

(b) The State Treasurer shall hold the Endowment Fund separate and apart from all other moneys, funds, and accounts. The State Treasurer shall invest the assets of the Endowment Fund in accordance with the provisions of G.S. 147-69.2 and G.S. 147-69.3. The State Treasurer shall disburse the endowment investment income only upon the written direction of ~~both~~ the ~~Marine Fisheries Commission.~~Division of Marine Fisheries of the Department of Environmental Quality.

(c) Subject to the limitations set out in subsection (d) of this section, the ~~Marine Fisheries Commission~~ Division of Marine Fisheries of the Department of Environmental Quality may authorize the disbursement of endowment investment income only to manage, protect, restore, develop, cultivate, conserve, and enhance the marine resources of the State. The ~~Marine Fisheries Commission~~ Division of Marine Fisheries may not authorize the disbursement of endowment investment income to establish positions without specific authorization from the General Assembly. ~~All proposals to the Marine Fisheries Commission for the disbursement of funds from the Endowment Fund shall be made by and through the Fisheries Director.~~ Prior to authorizing disbursements from the Marine Resources Endowment Fund, the ~~Marine Fisheries Commission~~ Division of Marine Fisheries shall consult with the Wildlife Resources Commission about ~~these proposals.~~funding requests.

…."

DMF ARTIFICIAL REEFS PROGRAM FUNDING CLARIFICATION

SECTION 13.16. G.S. 113-175.1 is amended by adding a new subsection to read:

"(d) To enhance fishing opportunities, the Marine Resources Fund may be used to construct artificial reefs in the estuarine and ocean waters of the State and federal waters up to 20 nautical miles from land."

MARINE FISHERIES COMMISSION AMENDMENTS

SECTION 13.17.(a) G.S. 143B-289.52 reads as rewritten:

"**§ 143B-289.52. Marine Fisheries Commission – powers and duties.**

...

(e1) A supermajority of the Commission shall be ~~six~~ five members. A supermajority shall be necessary ~~to override recommendations from the Division of Marine Fisheries regarding measures needed to end overfishing or to rebuild overfished stocks.~~ for any action taken under the powers and duties set forth in this section, including rule making and the regulation of fisheries under a fishery management plan.

...."

SECTION 13.17.(b) G.S. 143B-289.54 reads as rewritten:

"**§ 143B-289.54. Marine Fisheries Commission – members; appointment; term; oath; ethical standards; removal; compensation; staff.**

(a) Members, Selection. – The Marine Fisheries Commission shall consist of ~~nine~~ seven members appointed by the Governor as follows:

(1) One person actively engaged in, or recently retired from, commercial fishing as demonstrated by currently or recently deriving at least fifty percent (50%) of annual earned income from taking and selling fishery resources in coastal fishing waters of the State. The spouse of a commercial fisherman who meets the criteria of this subdivision may be appointed under this subdivision.

(2) One person actively engaged in, or recently retired from, commercial fishing as demonstrated by currently or recently deriving at least fifty percent (50%) of annual earned income from taking and selling fishery resources in coastal fishing waters of the State. The spouse of a commercial fisherman who meets the criteria of this subdivision may be appointed under this subdivision.

(3) One person actively connected with, and experienced as, a licensed fish dealer or in seafood processing or distribution as demonstrated by deriving at least fifty percent (50%) of annual earned income from activities involving the buying, selling, processing, or distribution of seafood landed in this State. The spouse of a person qualified under this subdivision may be appointed provided that the spouse is actively involved in the qualifying business.

(4) One person actively engaged in recreational sports fishing in coastal waters in this State. An appointee under this subdivision may not derive more than ten percent (10%) of annual earned income from sports fishing activities.

(5) One person actively engaged in recreational sports fishing in coastal waters in this State. An appointee under this subdivision may not derive more than ten percent (10%) of annual earned income from sports fishing activities.

(6) One person actively engaged in the sports fishing industry as demonstrated by deriving at least fifty percent (50%) of annual earned income from selling goods or services in this State. The spouse of a person qualified under this subdivision may be appointed provided that the spouse is actively involved in the qualifying business.

~~(7) One person having general knowledge of and experience related to subjects and persons regulated by the Commission.~~

~~(8) One person having general knowledge of and experience related to subjects and persons regulated by the Commission.~~

(9) One person who is a fisheries scientist having special training and expertise in marine and estuarine fisheries biology, ecology, population dynamics, water quality, habitat protection, or similar knowledge. A person appointed under this subdivision may not receive more than ten percent (10%) of annual earned income from either the commercial or sports fishing industries, including the processing and distribution of seafood.

(b) Residential Qualifications. – For purposes of providing regional representation on the Commission, the following three coastal regions of the State are designated: (i) Northeast Coastal Region comprised of Bertie, Camden, Chowan, Currituck, Dare, Gates, Halifax, Hertford, Martin, Northampton, Pasquotank, Perquimans, Tyrrell, and Washington Counties, (ii) Central Coastal Region comprised of Beaufort, Carteret, Craven, Hyde, Jones, and Pamlico Counties; and (iii) Southeast Coastal Region comprised of Bladen, Brunswick, Columbus, New Hanover, Onslow, and Pender Counties. Persons appointed under subdivisions (1), (2), (3), ~~(4), and (8)~~and (4) of subsection (a) of this section shall be residents of one of the coastal regions of the State. The membership of the Commission shall include at least one person who is a resident of each of the three coastal regions of the State.

(c) Additional Considerations. – In making appointments to the Commission, the Governor shall provide for appropriate representation of women and minorities on the Commission.

(d) Terms. – The term of office of members of the Commission is three years. A member may be reappointed to any number of successive three-year terms. Upon the expiration of a three-year term, a member shall continue to serve until a successor is appointed and duly qualified as provided by G.S. 128-7. The term of members appointed under subdivisions ~~(1), (4), and (7)~~(1) and (4) of subsection (a) of this section shall expire on 30 June of years evenly divisible by three. The term of members appointed under subdivisions ~~(2), (5), and (8)~~(2) and (5) of subsection (a) of this section shall expire on 30 June of years that precede by one year those years that are evenly divisible by three. The term of members appointed under subdivisions (3), (6), and (9) of subsection (a) of this section shall expire on 30 June of years that follow by one year those years that are evenly divisible by three.

...."

SECTION 13.17.(c) G.S. 113-182.1(e1) reads as rewritten:

"(e1) If the Secretary determines that it is in the interest of the long-term viability of a fishery, the Secretary may authorize the Commission to develop expedited temporary management measures to supplement an existing Fishery Management Plan pursuant to this subsection. Management measures considered in a supplement shall be strictly limited to those management strategies contained in the original fishery management plan or subsequent amendments to the plan adopted by the Marine Fisheries Commission and shall not include management measures that either (i) were not originally developed in accordance with this section or (ii) result in severe curtailment of the usefulness or value of equipment as provided by G.S. 113-221(d). Development of temporary management measures pursuant to this subsection is exempt from subsections (c), (c1), and (e) of this section and the Priority List, Schedule, and guidance criteria established by the Marine Fisheries Commission under G.S. 143B-289.52. During the next review period for a Fishery Management Plan supplemented pursuant to this subsection, the Commission shall either incorporate the temporary management measures into the revised Fishery Management Plan or the temporary management measures shall expire on the date the revised Fishery Management Plan is adopted."

SUBPART XIII-A. WILDLIFE RESOURCES COMMISSION

MATTAMUSKEET LODGE REPAIRS

SECTION 13A.1. From funds available to it, the Wildlife Resources Commission shall repair the roof and stabilize the tower at the Mattamuskeet Lodge in Hyde County. The Commission shall complete the repairs required by this section no later than June 30, 2018.

PART XIV. DEPARTMENT OF NATURAL AND CULTURAL RESOURCES

VARIOUS NER AGENCY REPORT CHANGES

DEPARTMENT OF ENVIRONMENTAL QUALITY REPORT CHANGES

SECTION 14.1.(a) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources": G.S. 130A-310.76 and G.S. 143-58.5.

SECTION 14.1.(b) G.S. 77-96(c) reads as rewritten:

"(c) The accounts and records of the Commission showing the receipt and disbursement of funds from whatever source derived shall be in the form that the North Carolina Auditor and the Virginia Auditor of Public Accounts prescribe, provided that the accounts shall correspond as nearly as possible to the accounts and records for such matters maintained by similar enterprises. The accounts and records of the Commission shall be subject to an annual audit by the North Carolina Auditor and the Virginia Auditor of Public Accounts or their legal representatives, and the costs of the audit services shall be borne by the Commission. The results of the audits shall be delivered by March 1 of each year to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the General Assembly of North Carolina and as provided by the Commonwealth of Virginia."

SECTION 14.1.(c) G.S. 77-115(b) reads as rewritten:

"(b) The accounts and records of each commission showing the receipt and disbursement of funds from whatever source derived shall be in the form that the Auditor of North Carolina and the State Auditor of South Carolina prescribe. The accounts and records of each commission shall be subject to an annual audit by the Auditor of North Carolina and the State Auditor of South Carolina or their legal representatives. The cost of the annual audits shall be borne by each commission. The results of the audits shall be delivered by March 1 of each year to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the General Assembly of North Carolina and to the General Assembly of South Carolina as the General Assembly of South Carolina shall provide."

SECTION 14.1.(d) G.S. 113-182.1(e) reads as rewritten:

"(e) The Secretary of Environmental Quality shall monitor progress in the development and adoption of Fishery Management Plans in relation to the Schedule for development and adoption of the plans established by the Marine Fisheries Commission. The Secretary of Environmental Quality shall report to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division within 30 days of the completion or substantial revision of each proposed Fishery Management Plan. The ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources shall review each proposed Fishery Management Plan within 30 days of the date the proposed Plan is submitted by the Secretary. The ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources may submit comments and recommendations on the proposed Plan to the Secretary within 30 days of the date the proposed Plan is submitted by the Secretary."

SECTION 14.1.(e) G.S. 136-28.8(g) reads as rewritten:

"(g) On or before October 1 of each year, the Department shall report to the Division of Environmental Assistance and Outreach of the Department of Environmental Quality as to the amounts and types of recycled materials that were specified or used in contracts that were entered into during the previous fiscal year. On or before January 15 of each year, the Division of Environmental Assistance and Outreach shall prepare a summary of this report and submit the summary to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, ~~and~~ the Joint Legislative Transportation Oversight ~~Committee.~~Committee, and the Fiscal Research Division. The summary of this report shall also be included in the report required by G.S. 130A-309.06(c)."

SECTION 14.1.(f) G.S. 143-64.12(j) reads as rewritten:

"(j) The State Energy Office shall submit a report by December 1 of every odd-numbered year to the Joint Legislative Energy Policy ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division describing the comprehensive program to manage energy, water, and other utility use for State agencies and State institutions of higher learning required by subsection (a) of this section. The report shall also contain the following:

...."

SECTION 14.1.(g) G.S. 143-64.17H reads as rewritten:

"**§ 143-64.17H. Report on guaranteed energy savings contracts entered into by State governmental units.**

A State governmental unit that enters into a guaranteed energy savings contract or implements an energy conservation measure pursuant to G.S. 143-64.17L must report either (i) the contract and the terms of the contract or (ii) the implementation of the measure to the State Energy Office of the Department of Environmental Quality within 30 days of the date the contract is entered into or the measure is implemented. In addition, within 60 days after each annual anniversary date of a guaranteed energy savings contract, the State governmental unit must report the status of the contract to the State Energy Office, including any details required by the State Energy Office. The State Energy Office shall compile the information for each fiscal year and report it to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, and ~~to~~ the Local Government Commission annually by December 1. In compiling the information, the State Energy Office shall include information on the energy savings expected to be realized from a contract or implementation and shall evaluate whether expected savings have in fact been realized."

SECTION 14.1.(h) G.S. 143-214.13(a) reads as rewritten:

"(a) The Department of Environmental Quality shall report each year by November 1 to the Environmental Review ~~Commission and to the Joint Legislative Commission on Governmental Operations~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division regarding its progress in implementing the Division of Mitigation Services and its use of the funds in the Ecosystem Restoration Fund. The report shall document statewide wetlands losses and gains and compensatory mitigation performed under G.S. 143-214.8 through G.S. 143-214.12. The report shall also provide an accounting of receipts and disbursements of the Ecosystem Restoration Fund, an analysis of the per-acre cost of wetlands restoration, and a cost comparison on a per-acre basis between the State's Division of Mitigation Services and private mitigation banks. The Department shall also send a copy of its report to the Fiscal Research Division of the General Assembly."

SECTION 14.1.(i) G.S. 143-215.3A(c) reads as rewritten:

"(c) The Department shall report to the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on the cost of the State's environmental permitting programs contained within the Department on or before 1 November of each year. The report shall include, but is not limited to, fees set and established under this Article, fees collected under this Article, revenues received from other sources for environmental permitting and compliance programs, changes made in the fee schedule since the last report, anticipated revenues from all other sources, interest earned and any other information requested by the General Assembly."

SECTION 14.1.(j) G.S. 143-215.9A(a) reads as rewritten:

"(a) The Department shall report to the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on or before 1 October of each year on the status of facilities discharging into surface waters during the previous fiscal year. The report shall include:

...

(4) Any other information that the Department determines to be appropriate or that is requested by the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, or the Fiscal Research Division."

SECTION 14.1.(k) G.S. 143-215.10M(a) reads as rewritten:

"(a) The Department shall report to the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on or before 1 October of each year as required by this section. Each report shall include:

...

(10) Any other information that the Department determines to be appropriate or that is requested by the Environmental Review ~~Commission~~ Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, or the Fiscal Research Division."

SECTION 14.1.(*l*) G.S. 143-215.94M(a) reads as rewritten:

"(a) The Secretary shall present an annual report to the Environmental Review Commission, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, the chairs of the Senate Appropriations ~~Subcommittee~~ Committee on ~~Natural~~ Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations ~~Subcommittee~~ Committee on Agriculture and Natural and Economic Resources ~~which~~ that shall include at least the following:

...."

SECTION 14.1.(m) G.S. 143B-279.8(e) reads as rewritten:

"(e) The Coastal Resources Commission, the Environmental Management Commission, and the Marine Fisheries Commission shall report to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, and the Environmental Review Commission on progress in developing and implementing the Coastal Habitat Protection Plans, including the extent to which the actions of the three commissions are consistent with the Plans, on or before 1 September of each year."

SECTION 14.1.(n) G.S. 143B-279.17 reads as rewritten:

"**§ 143B-279.17. Tracking and report on permit processing times.**

The Department of Environmental Quality shall track the time required to process all permit applications in the One-Stop for Certain Environmental Permits Programs established

by G.S. 143B-279.12 and the Express Permit and Certification Reviews established by G.S. 143B-279.13 that are received by the Department. The processing time tracked shall include (i) the total processing time from when an initial permit application is received to issuance or denial of the permit and (ii) the processing time from when a complete permit application is received to issuance or denial of the permit. No later than March 1 of each year, the Department shall report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division of the General ~~Assembly~~ Assembly, and the Environmental Review Commission on the permit processing times required to be tracked pursuant to this section."

DEPARTMENT OF COMMERCE REPORT CHANGES

SECTION 14.1.(o) The following statutes are amended by deleting the language "General Assembly" or "legislature" wherever either appears and substituting "Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources": G.S. 18C-115(a), 62-17(a1), 62-110.1, and 94-2.

SECTION 14.1.(p) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources": G.S. 62-15(h), 62-133.8(j), 62-133.9(i), 97-78(e), and 113-315.36.

SECTION 14.1.(q) The following statutes are amended by deleting the language "General Assembly" wherever it appears and substituting "the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Economic Development and Global Engagement Oversight Committee": G.S. 96-35, 143B-434.01(*l*), 143B-434.2(d), 143B-438.10(a)(7a), 143B-438.10(a)(8), and 143B-438.14(d).

SECTION 14.1.(r) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources": G.S. 143B-431.01(d)(1) and G.S. 143B-431.01(f).

SECTION 14.1.(s) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Economic Development and Global Engagement Oversight Committee": G.S. 143B-435.1(d), 143B-437.02(k), 143B-437.012(m), 143B-472.35(*l*), and 143B-1285(3).

SECTION 14.1.(t) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" and "General Assembly" wherever either appears and substituting "Joint Legislative Economic Development and Global Engagement Oversight Committee": G.S. 143B-437.07(b) and G.S. 143B-437.08(k).

SECTION 14.1.(u) The following Session Laws are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "the chairs of the Senate Appropriations Committee on Agriculture, Natural, and

Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Economic Development and Global Engagement Oversight Committee": Section 14.1(e) of S.L. 2011-145 and Section 14.1(f) of S.L. 2011-145.

SECTION 14.1.(v) G.S. 62-133.5(k) reads as rewritten:

"**§ 62-133.5. Alternative regulation, tariffing, and deregulation of telecommunications utilities.**

...

(k) To evaluate the affordability and quality of local exchange service provided to consumers in this State, a local exchange company or competing local provider offering basic local residential exchange service that elects to have its rates, terms, and conditions for its services determined pursuant to the plans described in subsection (h) or (m) of this section shall make an annual report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources ~~General Assembly~~ on the state of its company's operations. The report shall be due 30 days after the close of each calendar year and shall cover the period from January 1 through December 31 of the preceding year. The Joint Legislative ~~Commission on Governmental Operations~~Oversight Committee on Agriculture and Natural and Economic Resources must review the annual reports and decide whether to recommend that the General Assembly take corrective action in response to those reports. The report shall include the following:

...."

SECTION 14.1.(w) G.S. 96-40 reads as rewritten:

"**§ 96-40. Unemployment insurance program integrity; reporting.**

...

(c) Quarterly Reporting. – Beginning October 1, 2015, and then quarterly thereafter, the Division shall make detailed written progress reports on its efforts to carry out all of the directives in this section to the chairs of the Joint Legislative Oversight Committee on Unemployment Insurance, the chairs of the Joint Legislative Oversight Committee on Information Technology, the chairs of the House Appropriations ~~Subcommittee~~ Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on ~~Natural~~ Agriculture, Natural, and Economic Resources, and the Fiscal Research Division. At a minimum, the quarterly report shall include all of the following:

...

(d) Annual Reporting. – Beginning January 1, 2016, the Division shall make an annual report to the chairs of the Joint Legislative Oversight Committee on Unemployment Insurance, the chairs of the Joint Legislative Oversight Committee on Information Technology, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division~~General Assembly~~ on its efforts to carry out all of the directives in this section. At a minimum, each annual report shall include all of the following information:

...."

SECTION 14.1.(x) G.S. 136-18.01 reads as rewritten:

"**§ 136-18.01. Consultation required for welcome and visitor centers.**

The Department of Commerce and the Department of Transportation shall consult with the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources ~~Joint Legislative Commission on Governmental Operations and the House and Senate Appropriations Subcommittees on Natural~~

~~and Economic Resources~~ before beginning the design or construction of any new welcome center or visitor center buildings."

SECTION 14.1.(y) G.S. 143B-421.3 reads as rewritten:

"**§ 143B-421.3. Consultation required for welcome and visitor centers.**

The Department of Commerce and the Department of Transportation shall consult with the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources~~Joint Legislative Commission on Governmental Operations and the House and Senate Appropriations Subcommittees on Natural and Economic Resources~~ before beginning the design or construction of any new welcome center or visitor center buildings."

SECTION 14.1.(z) G.S. 143B-434.01(*l*) reads as rewritten:

"**§ 143B-434.01. Comprehensive Strategic Economic Development Plan.**

...

(*l*) Accountability. – The Secretary shall make all data, plans, and reports available to ~~the General Assembly, the Joint Legislative Commission on Governmental Operations,~~ the Joint Legislative Economic Development and Global Engagement Oversight Committee, the chairs of the Senate Appropriations Committee on ~~Natural~~ Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations ~~Subcommittee~~ Committee on Agriculture and Natural and Economic Resources at appropriate times and upon request. The Secretary shall prepare and make available on an annual basis public reports on each of the major sections of the Plan and the Annual Report indicating the degree of success in attaining each development objective."

SECTION 14.1.(aa) G.S. 143B-437.8(1) and G.S. 143B-437.83(1) are repealed.

SECTION 14.1.(bb) G.S. 143B-437.74(a) reads as rewritten:

"**§ 143B-437.74. Reports; study.**

(a) Reports. – The Department of Commerce shall publish a report on the use of funds in the One North Carolina Fund at the end of each fiscal quarter. The report shall contain information on the commitment, disbursement, and use of funds allocated under the One North Carolina Fund. The report is due no later than one month after the end of the fiscal quarter and must be submitted to the following:

(1) The chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources.~~Joint Legislative Commission on Governmental Operations.~~

(1a) The House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources.

...

(5) The Joint Legislative Economic Development and Global Engagement Oversight Committee."

SECTION 14.1.(cc) G.S. 159B-30.1 reads as rewritten:

"**§ 159B-30.1. Additional reports.**

Beginning March 1, 1996, and annually thereafter, each joint agency operating under the authority of Chapter 159B of the General Statutes shall file a report with the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources ~~Joint Legislative Commission on Governmental Operations~~ describing the activities of the joint agency carried out pursuant to the authority granted by G.S. 159B-2, 159B-11(19b), 159B-12 and 159B-17(c). The report shall cover the preceding calendar year. Each joint agency shall file such additional reports as the ~~Joint Legislative Commission on Governmental Operations~~committees shall request."

SECTION 14.1.(dd) Section 2 of S.L. 2007-227 reads as rewritten:

"**SECTION 2.** The Utilities Commission shall report to the Joint Legislative ~~Utility Review~~Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources on the orders issued pursuant to G.S. 62-133.7 and the results obtained under those orders, as well as results obtained from the customer usage tracking component of the Commission's order issued in Docket G-9, Sub 499. The first report shall be delivered not later than July 1, 2008, and cover the period beginning with the effective date of this act and ending June 1, 2008. Thereafter, the Commission shall report as required by the ~~Committee.~~committees."

SECTION 14.1.(ee) Section 15.18(e) of S.L. 2015-241 reads as rewritten:

"**SECTION 15.18.(e)** Each museum listed in subsection (a) of this section shall do the following:

(1) By September 1, 2016, and more frequently as requested, report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, ~~Joint Legislative Commission on Governmental Operations~~ and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.

(2) Provide to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division a copy of the museum's annual audited financial statement within 30 days of issuance of the statement."

SECTION 14.1.(ff) Section 29.18 of S.L. 2015-241 reads as rewritten:

"**SECTION 29.18.** Report. – By January 15, 2016, the Utilities Commission shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, ~~Joint Legislative Commission on Governmental Operations,~~ the Joint Legislative Transportation Oversight Committee, and the Environmental Review Commission on the incremental cost incentives related to coal combustion residuals surface impoundments for investor-owned public utilities. The report shall include all of the following:

...."

DEPARTMENT OF NATURAL AND CULTURAL RESOURCES REPORT CHANGES

SECTION 14.1.(gg) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and substituting "Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division": G.S. 121-7.3, 121-9, 143B-71, 143B-73, and 146-26.

SECTION 14.1.(hh) The following statutes are amended by deleting the language "Joint Legislative Commission on Governmental Operations" wherever it appears and

substituting "Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources": G.S. 121-7.7, 121-21.1, 143B-53.3, 143B-87.2, and 143B-135.244.

SECTION 14.1.(ii) G.S. 121-12.1 reads as rewritten:

"**§ 121-12.1. Grants-in-aid.**

Under the concepts of reorganization of State government, responsibility for administering appropriations to the Department of Natural and Cultural Resources for grants-in-aid to private nonprofit organizations in the areas of history, art, and culture is ~~hereby~~ assigned to the Department of Natural and Cultural Resources. ~~It shall be the responsibility of the~~ By February 15 of each year, the Department of Natural and Cultural Resources ~~to~~ shall receive, analyze, and recommend to the ~~Governor and the General Assembly~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division the disposition of any request for funding received by it from or for any of these ~~organizations, and to~~ organizations. The Department shall disburse under provisions of law any appropriations made to the Department for them. Appropriations to the Department of Natural and Cultural Resources for grants-in-aid to assist in the restoration of historic sites owned by private nonprofit organizations shall ~~in addition~~ be expended only in accordance with G.S. 121-11, 121-12 and 143B-53.1."

SECTION 14.1.(jj) G.S. 125-2 reads as rewritten:

"**§ 125-2. Powers and duties of Department of Natural and Cultural Resources.**

The Department of Natural and Cultural Resources shall have the following powers and duties:

...

(2) To make to the ~~Governor~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economics Resources, and the Fiscal Research Division a biennial report of its activities and needs, including recommendations for improving its services to the State, ~~to be transmitted by the Governor to the General Assembly.~~ by February 15 of each odd-numbered year.

...."

SECTION 14.1.(kk) G.S. 140-5.14 reads as rewritten:

"**§ 140-5.14. Board of Trustees – powers and duties.**

The Board of Trustees ~~shall be~~ is the governing body of the North Carolina Museum of Art and ~~shall have~~ has the following powers and duties:

...

(10) To make a biennial report by February 15 of each odd-numbered year to the ~~Governor and the General Assembly~~ Governor, Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on the activities of the Board of Trustees and of the North Carolina Museum of Art;

...."

SECTION 14.1.(*ll*) G.S. 143-406 reads as rewritten:

"**§ 143-406. Duties of Department of Natural and Cultural Resources.**

The Department of Natural and Cultural Resources shall take action to carry out the following purposes as funds and staff permit:

...

~~The~~ By February 15 of each odd-numbered year, the Department of Natural and Cultural Resources shall, in addition to such other recommendations, studies and plans as it may submit from time to time, submit a biennial report of progress to the Governor, ~~and thus, to the General~~

~~Assembly.~~the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division."

SECTION 14.1.(mm) G.S. 143B-131.4 reads as rewritten:

"**§ 143B-131.4. Commission reports.**

The Commission shall submit a ~~quarterly~~ semiannual report by January 15 and July 15 of each year to the Chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Chairs of the Senate Appropriations Committee on ~~Natural~~ Agriculture, Natural, and Economic Resources, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and ~~to~~ the Fiscal Research Division of the General Assembly. The report shall include:

(1) A summary of actions taken by the Commission consistent with the powers and duties of the Commission set forth in G.S. 143B-131.2.

(2) Recommendations for legislation and administrative action to promote and develop the Elizabeth II State Historic Site and Visitor Center.

(3) An accounting of funds received and expended."

SECTION 14.1.(nn) G.S. 143B-135.102(c) reads as rewritten:

"(c) The Secretary, with advice of the Committee, shall study trail needs and potentials, and make additions to the State Trails System as needed. ~~He~~ The Secretary shall submit an annual report by October 1 of each year to the ~~Governor and General Assembly~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division on trail activities by the Department, including rights-of-way that have been established and on the program for implementing this Part. Each report shall include a short statement on the significance of the various trails to the System. The Secretary shall make such rules as to trail development, management, and use that are necessary for the proper implementation of this Part."

SECTION 14.1.(oo) G.S. 143B-135.156 reads as rewritten:

"**§ 143B-135.156. Administrative agency; federal grants; additions to the system; regulations.**

(a) The Department is the agency of the State of North Carolina with the duties and responsibilities to administer and control the North Carolina natural and scenic rivers system.

(b) The Department ~~shall be~~ is the agency of the State with the authority to accept federal grants of assistance in planning, developing (which would include the acquisition of land or an interest in land), and administering the natural and scenic rivers system.

(c) The Secretary of the Department shall study and from time to time submit to the ~~Governor and to the General Assembly~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division proposals for the additions to the system of rivers and segments of rivers which, in ~~his~~ the Secretary's judgment, fall within one or more of the categories set out in G.S. 143B-135.148. Each proposal shall specify the category of the proposed addition and shall be accompanied by a detailed report of the facts which, in the Secretary's judgment, makes the area a worthy addition to the system.

(c1) Before submitting any proposal ~~to the Governor or the General Assembly~~ under subsection (c) of this section for the addition to the system of a river or segment of a river, the Secretary or ~~his~~ the Secretary's authorized ~~representative,~~ representative shall hold a public hearing in the county or counties where ~~said~~ the river or segment of river is situated. Notice of ~~such~~ the public hearing shall be given by publishing a notice once each week for two consecutive weeks in a newspaper having general circulation in the county where ~~said~~ the hearing is to be held, the second of ~~said~~ the notices appearing not less than 10 days before ~~said~~ the hearing. Any person attending ~~said~~ the hearing shall be given an opportunity to be heard.

~~Notwithstanding the provisions of the foregoing, no~~ No public ~~hearing~~ hearing, however, ~~shall be~~ is required with respect to a river bounded solely by the property of one owner, who consents in writing to the addition of ~~such~~ the river to the system.

(c2) The Department shall also conduct an investigation on the feasibility of the inclusion of a river or a segment of river within the system and shall file a written report with the ~~Governor when submitting a proposal.~~proposal described in subsection (c) of this section.

(c3) The ~~Department shall also,~~ Department, before submitting ~~such~~ a ~~proposal to the Governor or the General Assembly,~~ proposal under subsection (c) of this section, shall notify in writing the owner, lessee, or tenant of any lands adjoining ~~said~~ the river or segment of river of its intention to make ~~such~~ the proposal. In the event the Department, after due diligence, is unable to determine the owner or lessee of ~~any such~~ the land, the Department may publish a notice for four successive weeks in a newspaper having general circulation in the county where the land is situated of its intention to make a proposal ~~to the Governor or General Assembly~~ for the addition of a river or segment of river to the system.

(d) Upon receipt of a request in the form of a resolution from the commissioners of the county or counties in which a river segment is located and upon studying the segment and determining that it meets the criteria set forth in G.S. 143B-135.150, the Secretary may designate the segment a potential component of the natural and scenic rivers system. The designation as a potential component shall be transmitted to the Governor and all appropriate State agencies. Any segment so designated is subject to the provisions of this Part applicable to designated rivers, except for acquisition by condemnation or otherwise, and to any rules adopted pursuant to this Part. The Secretary shall make a full report and, if appropriate, a proposal for an addition to the natural and scenic rivers system to the ~~General Assembly~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division within 90 days after the convening of the next session of the General Assembly following issuance of the designation, and the ~~General Assembly~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources shall determine whether to designate the segment as a component of the natural and scenic rivers system. If the next session of the General Assembly fails to take affirmative action on the designation, the designation as a potential component shall expire.

(e) The Department may adopt rules to implement this Part."

SECTION 14.1.(pp) G.S. 143B-135.221 reads as rewritten:

"**§ 143B-135.221. Reports to General Assembly.**

The Commission shall prepare and submit a report outlining the needs of the North Carolina State Museum of Natural Sciences and recommendations for improvement of the effectiveness of the North Carolina State Museum of Natural Sciences ~~for the purpose hereinabove set forth to the General Assembly, to the Fiscal Research Division of the General Assembly, and to the Joint Legislative Commission on Governmental Operations~~ to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division on or before October 1 of each year."

SECTION 14.1.(qq) G.S. 143B-135.256 reads as rewritten:

"**§ 143B-135.256. Powers and duties of the Secretary.**

The Secretary shall:

...

(7) Submit to the ~~Governor and the General Assembly~~ Governor, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division a biennial report on or before February 15 of odd-numbered years describing the activities of the past biennium and plans for the coming biennium, and detailing specific recommendations for action that the Secretary deems necessary for the improvement of the Program."

DEPARTMENT OF LABOR REPORT CHANGES

SECTION 14.1.(rr) G.S. 95-25.23C(c) reads as rewritten:

"(c) Report. – No later than February 1 of each year, the Commissioner shall submit a written report to the ~~General Assembly,~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division of the General Assembly on the Department of Labor's investigative, inspection, and enforcement activities under the Wage and Hour Act pertaining to youth employment. Each report submitted pursuant to this subsection shall contain data and information about the calendar year preceding the date on which the last written report was submitted. The report shall include at least all of the following:

…."

SECTION 14.1.(ss) G.S. 95-136.1(d) reads as rewritten:

"(d) The Department shall by March 1, 1995, and annually thereafter, report to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division of the General Assembly on the impact of the special emphasis inspection program on safety and health compliance and enforcement."

SECTION 14.1.(tt) G.S. 95-227(e) reads as rewritten:

"(e) The Commissioner shall report no later than May 1 of each year to the Chairpersons of the Senate Appropriations Committee on Natural and Economic ~~Resources and~~ Resources, the Chairpersons of the House of Representatives Appropriations ~~Subcommittee~~ Committee on Agriculture and Natural and Economic ~~Resources~~ Resources, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division regarding the number of annual preoccupancy certifications issued, the number of operators with one hundred percent (100%) compliance at the preoccupancy inspection, the number of postoccupancy inspections conducted by the Department of Labor of North Carolina, the number and type of citations and fines issued, the total number of migrant worker beds in the State, and the identification of operators who fail to apply for or obtain permits to operate migrant housing pursuant to this Article."

SECTION 14.1.(uu) G.S. 113-391(e) reads as rewritten:

"(e) The Department shall submit an annual report on its activities conducted pursuant to this Article and rules adopted thereunder to the Environmental Review Commission, the Joint Legislative Commission on Energy Policy, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate ~~and House of Representatives~~ Appropriations ~~Subcommittees~~ Committee on ~~Natural~~ Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, and the Fiscal Research Division of the General Assembly on or before October 1 of each year."

TOBACCO TRUST FUND COMMISSION REPORT CHANGE

SECTION 14.1.(vv) G.S. 143-722(a) reads as rewritten:

"(a) The chair of the Commission shall report each year by November 1 to the ~~Joint Legislative Commission on Governmental Operations~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, ~~and~~ the chairs of the House and Senate Appropriations ~~Committees~~ Committees, and the Fiscal Research Division regarding the implementation of this Article, including a report on funds disbursed during the fiscal year by amount, purpose, and category of recipient, and other information as requested by the ~~Joint Legislative Commission on Governmental Operations.~~ Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources. A written copy of the report shall also be sent to the Legislative Library by November 1 each year."

MILITARY BUFFERS

SECTION 14.2. The funds appropriated in this act to the Clean Water Management Trust Fund and the North Carolina Agricultural Development and Farmland Preservation Trust Fund for the purpose of military buffers shall only be expended on land that buffers a military facility from incompatible use encroachment.

CLARIFYING CHANGES TO DEPARTMENT OF NATURAL AND CULTURAL RESOURCES FUNDS

SECTION 14.3.(a) G.S. 121-5(e) reads as rewritten:

"(e) Archives and Records Management Fund. The Archives and Records Management Fund is established as a special revenue fund. The Fund consists of donations, gifts, devises, and the fees credited to it under Chapter 161 of the General Statutes. Revenue in the Fund may be used only to offset the Department's costs in providing essential records management and archival services for public records pursuant to Chapter 121 and Chapter 132 of the General Statutes."

SECTION 14.3.(b) G.S. 121-7.6(a) reads as rewritten:

"(a) Fund Established. – The North Carolina Transportation Museum Fund is created as a special ~~interestbearing,~~ interest-bearing, nonreverting enterprise fund in the Department of Natural and Cultural Resources. The Fund shall be used to pay all costs associated with the ~~operation~~ operation, interpretation, development, expansion, preservation, and maintenance of the North Carolina Transportation Museum."

SECTION 14.3.(c) G.S. 121-7.7(a) reads as rewritten:

"(a) Fund. – The State Historic Sites and Museums Fund is created as a special, interest-bearing revenue fund in the Division of State Historic Sites and the Division of State History Museums. The Fund consists of all receipts derived from the lease or rental of property or facilities, disposition of structures or products of the land, ~~private donations,~~ donations, gifts, devises, and admissions and fees collected at the State Historic Sites, State History Museums, and Maritime Museums. The revenues in the Fund may be used only for the operation, interpretation, maintenance, preservation, development, and expansion of the individual State Historic Site, State History Museum, and Maritime Museum where the receipts are generated. The respective Division and the staff from each State Historic Site, State History Museum, and Maritime Museum will determine how the funds will be used at that Historic Site, State History Museum, and Maritime Museum."

SECTION 14.3.(d) G.S. 143B-53.3(a) reads as rewritten:

"(a) Fund. – The Queen Anne's Revenge Project Special Fund is created as a special, interest-bearing revenue fund within the Department of Natural and Cultural Resources, Office of Archives and History. The Fund shall consist of all receipts derived from ~~private donations, grant funds,~~ donations, gifts, devises, and earned revenue. The monies in the Fund may be used only for contracted services, personal services and operations, conference and meeting expenses, travel, staff salaries, operations for laboratory needs, museum exhibits, and other administrative costs related to the Queen Anne's Revenge Project. The staff of the Office of Archives and History and the Department of Natural and Cultural Resources shall determine how the funds will be used for the purposes of the Queen Anne's Revenge Project, and those funds are hereby appropriated for those purposes."

SECTION 14.3.(e) G.S. 143B-79(7) reads as rewritten:

"(7) The Committee may dispose of property held in the Executive Mansion after consultation with a review committee comprised of one person from the Executive Mansion Fine Arts Committee, appointed by its chairman; one person from the Department of Administration appointed by the Secretary of Administration; and two qualified professionals from the Department of

Natural and Cultural Resources, Division of Archives and History, appointed by the Secretary of Natural and Cultural Resources. Upon request of the Executive Mansion Fine Arts Committee, the review committee will view proposed items for disposition and make a recommendation to the North Carolina Historical Commission who will make a final decision. The Historical Commission must consider whether the disposition is in the best interest of the State of North Carolina. If any property is sold, the net proceeds of each sale and any interest earned thereon shall be deposited in the State Treasury to the credit of the Executive Mansion, Special Fund, and shall be used only for the purchase, conservation, ~~restoration~~ restoration, or repair of other property for use in the Executive Mansion."

SECTION 14.3.(f) G.S. 143B-87.2(a) reads as rewritten:

"(a) Fund. – The A+ Schools Special Fund is created as a special interest-bearing revenue fund in the Department of Natural and Cultural Resources, North Carolina Arts Council. The Fund shall consist of all receipts derived from ~~private donations, grant funds,~~ donations, gifts, devises, and earned revenue. The revenue in the Fund may be used only for contracted services, conference and meeting expenses, travel, staff salaries, and other administrative costs related to the A+ Schools program. The staff of the North Carolina Arts Council and the Department shall determine how the funds will be used for the purposes of the A+ Schools program."

SECTION 14.3.(g) G.S. 143B-135.56(a) reads as rewritten:

"(a) Fund Created. – There is established a Parks and Recreation Trust Fund in the State Treasurer's Office. The Trust Fund shall be a special revenue fund consisting of ~~gifts and grants~~ donations, gifts, and devises to the Trust Fund and other monies appropriated to the Trust Fund by the General Assembly."

SECTION 14.3.(h) G.S. 143B-135.188 reads as rewritten:

"**§ 143B-135.188. North Carolina Aquariums; fees; fund.**

...

(b) Fund. – The North Carolina Aquariums Fund is hereby created as a special fund. The North Carolina Aquariums Fund shall be used for the following purposes with respect to the aquariums and the pier operated by the Division of North Carolina Aquariums:

(1) Repair, renovation, expansion, maintenance, and educational exhibit construction. Funds used for repair, renovation, and expansion projects may be transferred to a capital projects fund to account for use of the funds for each project.

...

(c) Disposition of Receipts. – All receipts derived from the collection of admissions charges and other fees and the lease or rental of property or facilities shall be credited to the aquariums' General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina aquariums' General Fund operating budget to the North Carolina Aquariums Fund an amount not to exceed the sum of the following:

...

(3) Any ~~private donations,~~ donations, gifts, and devises received by the North Carolina aquariums.

...."

SECTION 14.3.(i) G.S. 143B-135.209 reads as rewritten:

"**§ 143B-135.209. North Carolina Zoo Fund.**

(a) Fund. – The North Carolina Zoo Fund is created as a special fund. The North Carolina Zoo Fund shall be used for the following types of projects at the North Carolina Zoological Park and to match private funds raised for these types of projects:

(1) Repair, renovation, expansion, maintenance, and educational exhibit construction. Funds used for repair, renovation, and expansion projects may be transferred to a capital projects fund to account for use of the funds for each project.

...

(b) Disposition of Receipts. – All receipts derived from the collection of admissions charges and other ~~fees and~~ fees, the lease or rental of property or facilities, and the disposition of products of the land or structures shall be credited to the North Carolina Zoological Park's General Fund operating budget. At the end of each fiscal year, the Secretary may transfer from the North Carolina Zoological Park's General Fund operating budget to the North Carolina Zoo Fund an amount not to exceed the sum of one million five hundred thousand dollars ($1,500,000) and any ~~private donations,~~ donations, gifts, and devises received by the North Carolina Zoological Park.

...."

SECTION 14.3.(j) G.S. 143B-135.213 is amended by adding a new subsection to read:

"(c) Notwithstanding Article 3A of Chapter 143 of the General Statutes, G.S. 143-49(4), or any other law pertaining to surplus State property, the Council may dispose of any exhibit, exhibit component, or object from the collections of the North Carolina Zoological Park by sale, lease, or trade. A sale, lease, or trade under this subsection shall be conducted in accordance with generally accepted practices for zoos and aquariums that are accredited by the American Association of Zoos and Aquariums. After deducting the expenses attributable to the sale or lease, the net proceeds of any sale or lease shall be credited to the North Carolina Zoo Fund."

PARKS AND RECREATION TRUST FUND ELIGIBILITY

SECTION 14.4. G.S. 143B-135.56(b) reads as rewritten:

"(b) Use. – Funds in the Trust Fund are annually appropriated to the North Carolina Parks and Recreation Authority and, unless otherwise specified by the General Assembly or the terms or conditions of a gift or grant, shall be allocated and used as follows:

(1) Sixty-five percent (65%) for the State Parks System or ~~a State recreational forest~~ the DuPont State Recreational Forest for capital projects, repairs and renovations of park facilities, and land acquisition.

...."

PROMOTE ACCESS TO AND EXCHANGE OF LIBRARY MATERIALS

SECTION 14.5. G.S. 125-2 reads as rewritten:

"**§ 125-2. Powers and duties of Department of Natural and Cultural Resources.**

The Department of Natural and Cultural Resources shall have the following powers and duties:

...

(10) To ~~plan and coordinate cooperative programs between the various types of libraries within the State of North Carolina, and to coordinate State development with regional and national cooperative library programs; and to assist nonprofit corporations in organization and operation for the purposes of cooperative programs.~~do the following:

a. Plan and coordinate cooperative programs between the various types of libraries within the State of North Carolina.

b. Coordinate State development with regional and national cooperative library programs.

c. Assist nonprofit corporations in the organization and operation of cooperative programs.

d. Enter into contracts to coordinate cooperative programs or to promote the access and exchange of library materials under this subdivision."

EXEMPTION FOR FOOD AND VENDING FACILITIES AT NORTH CAROLINA ZOO

SECTION 14.6.(a) Article 3 of Chapter 111 of the General Statutes is amended by adding a new section to read:

"**§ 111-47.4. Food service at North Carolina Zoological Park.**

Notwithstanding any other provision of this Article, the North Carolina Zoological Park may operate or contract for the operation of food or vending services at the North Carolina Zoological Park. Notwithstanding G.S. 111-43, the net proceeds of revenue generated by food and vending services operated by the North Carolina Zoological Park or a vendor with whom the North Carolina Zoological Park has contracted shall be credited to the North Carolina Zoo Fund."

SECTION 14.6.(b) This section becomes effective July 1, 2017, and applies to any contract for food or vending services at the North Carolina Zoological Park entered into on or after that date.

CORRECT DNCR SALARY AND BENEFIT BASE BUDGET EXPENDITURES

SECTION 14.7. Notwithstanding G.S. 143C-6-4, the Office of State Budget and Management, after coordination with the Department of Natural and Cultural Resources and the Fiscal Research Division, shall adjust personal services line items, as appropriate, within the Division of Parks and Recreation, the North Carolina Aquariums, and the North Carolina Zoological Park within the Department of Natural and Cultural Resources to correct errors in the base budget. The line item adjustments shall be corrected as part of the 2017-2019 biennial budget certification process. The Department shall make corresponding adjustments in the BEACON system to reflect the updated source of funds as necessary.

ABOLISH ROANOKE ISLAND COMMISSION

SECTION 14.8.(a) Article 19 of Chapter 143 of the General Statutes reads as rewritten:

"Article 19.

"Roanoke Island Historical Association.

"**§ 143-199. Association under patronage and control of State.**

Roanoke Island Historical Association, Incorporated is hereby permanently placed under the patronage and control of the State.

"**§ 143-200. Members of board of directors; terms; appointment.**

The governing body of the Association shall be a board of directors consisting of ~~the Governor of the State, the Attorney General, the~~ 25 voting members appointed as follows:

(1) The following officials, or their designees, shall serve ex officio:

a. The Superintendent of Public ~~Instruction, the~~ Instruction.

b. The Chair of the Dare County Board of ~~Commissioners, and the~~ Commissioners.

c. The Secretary of Natural and Cultural ~~Resources, or their designees, as ex officio members, and the following 21 members: J. Spencer Love, Greensboro; Miles Clark, Elizabeth City; Mrs. Richard J. Reynolds, Winston-Salem; D. Hiden Ramsey, Asheville; Mrs. Charles A. Cannon, Concord; Dr. Fred Hanes, Durham; Mrs. Frank~~

~~P. Graham, Chapel Hill; Bishop Thomas C. Darst, Wilmington; W. Dorsey Pruden, Edenton; John A. Buchanan, Durham; William B. Rodman, Jr., Washington; J. Melville Broughton, Raleigh; Melvin R. Daniels, Manteo; Paul Green, Chapel Hill; Samuel Selden, Chapel Hill; R. Bruce Etheridge, Manteo; Theodore S. Meekins, Manteo; Roy L. Davis, Manteo; M. K. Fearing, Manteo; A. R. Newsome, Chapel Hill.~~ Resources.

(2) Four persons shall be appointed as follows:

a. Two by the Governor, initially, one for a one-year term and one for a three-year term. Successors shall be appointed for a term of three years and until their successors are appointed.

b. One by the General Assembly, in accordance with G.S. 120-121, upon the recommendation of the President Pro Tempore of the Senate, for a three-year term. Successors shall also be appointed for a term of three years and until their successors are appointed.

c. One by the General Assembly, in accordance with G.S. 120-121, upon the recommendation of the Speaker of the House of Representatives, initially for a one-year term. Successors shall be appointed for a term of three years and until their successors are appointed.

(3) The remaining 18 members of the board of directors ~~herein named other than the ex officio members, shall serve for a term of three years and until their successors are appointed. Appointments thereafter~~ shall be made by the membership of the Association in the regular annual meeting or special meeting called for such purpose. In the event the Association through its membership should fail to make such appointments, then the appointments shall be made by the Governor of the State. If a vacancy occurs between annual meetings, the board of directors may fill the vacancy until the next annual meeting. All vacancies occurring on the board of directors not filled by the board of directors within 30 days of the vacancy shall be filled by the ~~Governor of the State.~~Governor. Members appointed under this subdivision shall serve for a term of three years and until their successors are appointed.

"**§ 143-201. Bylaws; officers of board.**

The ~~said~~ board of directors when organized under the terms of this Article shall have authority to adopt bylaws for the organization and ~~said~~ the bylaws shall thereafter be subject to change only by three-fifths vote of a quorum of ~~said~~ the board of ~~directors; the~~ directors. The board of directors shall choose from its membership or from the membership of the Association a chairman, a vice-chairman, a secretary and a treasurer, which offices in the discretion of the board may be combined in one, and also a historian and a general counsel. The board also in its discretion may choose one or more honorary vice-chairmen. ~~The~~ In addition to their other lawful duties, the duly elected officers of the Association shall also serve as an advisory committee to the Secretary of Natural and Cultural Resources concerning matters relating to "The Lost Colony" historical ~~drama.~~drama, the Roanoke Island Festival Park, and the Elizabeth II State Historic Site and Visitor Center.

"**§ 143-202. Exempt from taxation; gifts and donations.**

The ~~said~~ Association is and shall be an educational and charitable association within the meaning of the laws of the State of North Carolina, and the property and income of such Association, real and personal, shall be exempt from all taxation. The ~~said~~ Association is authorized and empowered to receive gifts and donations and administer the same for the charitable and educational purposes for which the Association is formed and in keeping with

the will of the donors, and such gifts and donations to the extent permitted by law shall be exempted from the purpose of income taxes and gift taxes.

"**§ 143-202.1. Memorandum of Agreement for operation of Roanoke Festival Park and Elizabeth II State Historic Site and Visitor Center.**

The Department of Natural and Cultural Resources shall negotiate a Memorandum of Agreement (MOA) with the Association for the management and operation of Roanoke Island Festival Park, including the Elizabeth II State Historic Site and Visitor Center. The MOA shall include, at a minimum, the following:

(1) The establishment and collection of any admission charges or user fees for properties and events operated at Roanoke Island Festival Park by the Association. Nothing in this subdivision is intended to require the charging of admission to any property or event.

(2) The adoption and enforcement of bylaws, rules, and guidelines needed for the Association to carry out the duties imposed by the MOA.

(3) Provisions for the transfer of that portion of revenues collected from operations of the Roanoke Island Festival Park and associated facilities and enterprises from the Association to the Historic Roanoke Island Fund as the MOA may specify.

(4) The delegation of any powers and the transfer of any assets, liabilities, contracts, or agreements from the Department to the Association necessary to carry out the duties imposed by the MOA. Any delegation or transfer shall be made in accordance with applicable law."

SECTION 14.8.(b) Section 19.9 of S.L. 2013-360 is codified as G.S. 143-202.2 and reads as rewritten:

"**§ 143-202.2. Friends of Elizabeth II support for Roanoke Island Festival Park.**

~~The Roanoke Island Commission~~ The Department of Natural and Cultural Resources as successor in interest to the Roanoke Island Commission shall request financial support from the Friends of Elizabeth II, Inc., in the amount of three hundred twenty-five thousand dollars ($325,000) or a sum equal to the average of the last three consecutive years of the Friends' investment earnings, whichever is greater, for each fiscal ~~year of the 2013-2015 biennium and for each subsequent fiscal year.~~year. These funds shall be deposited by the Department to a separate fund within the Historic Roanoke Island Fund and used ~~pursuant to G.S. 143B-131.2.~~only for the following purposes:

(1) To operate Roanoke Island Festival Park, including the Elizabeth II State Historic Site and Visitor Center and the Elizabeth II as permanent memorials commemorating the Roanoke Voyages, 1584-1587.

(2) By cooperative arrangement with other agencies, groups, individuals, and other entities, including the Association, to coordinate and schedule historical and cultural events on Roanoke Island."

SECTION 14.8.(c) G.S. 143B-131.8A and G.S. 143B-131.9 are recodified as G.S. 143-202.3 and G.S. 143-202.4, respectively, and read as rewritten:

"**§ 143-202.3. Historic Roanoke Island Fund.**

(a) The Historic Roanoke Island Fund is established as a nonreverting enterprise fund and shall be administered by the Department of Natural and Cultural Resources. ~~All operating revenues generated by the Roanoke Island Commission, including revenues collected from any property operated by the Roanoke Island Commission, together with all gifts, grants, donations, or other financial assets of whatever kind received or held by the Roanoke Island Commission shall be credited to the Historic Roanoke Island Fund and~~ The fund shall be used only ~~(i) for the~~ for the following purposes in addition to those set forth in G.S. 143-202.2:

(1) The expenses of operating and maintaining ~~the Roanoke Island Commission and~~ the properties managed by the ~~Roanoke Island Commission,~~ Roanoke

Island Historical Association pursuant to G.S. 143-202.1, including the salaries and benefits of Roanoke Island Festival Park ~~staff, (ii) to carry out any of the other duties and purposes set out by this Part, or (iii) capital~~ for staff.

(2) Capital expenditures for the properties operated by the ~~Commission.~~Association pursuant to G.S. 143-202.1.

(3) The restoration, preservation, and enhancement of the appearance, maintenance, and aesthetic quality of U.S. Highway 64/264 and the U.S. 64/264 Bypass travel corridor on Roanoke Island and the grounds on Roanoke Island Festival Park. However, the local government with jurisdiction over the affected portion of the travel corridor shall process the applications for and issue the certificates of appropriateness and shall be responsible for the enforcement of those certificates and any ordinances or rules adopted by the local government regarding that portion of the travel corridor within the local government's jurisdiction, and no reimbursement shall be made from the Fund to any local government for the processing of applications or issuance of certificates of appropriateness or the enforcement of those certificates, local ordinances, or rules.

(4) To identify, preserve, and protect properties located on Roanoke Island having historical significance to the State of North Carolina, Dare County, or the Town of Manteo consistent with applicable State laws and rules.

(b) The Department of Natural and Cultural Resources shall transfer to the Fund on a monthly basis a pro rata share of the utilities, maintenance, and operating expenses of the Outer Banks History Center, which is located in the Roanoke Island Festival Park. The funds received pursuant to this subsection shall be credited to the Historic Roanoke Island Fund.

(c) The Department of Natural and Cultural Resources shall credit to the Historic Roanoke Island Fund all rental proceeds received by the Department from the rental properties located near the Outer Banks Island Farm.

"**§ 143-202.4. Roanoke Island Festival Park staff.**

The ~~Commission~~ Association shall serve as a search committee to seek out, interview, and recommend to the Secretary of Natural and Cultural Resources an Executive Director of Roanoke Island Festival Park. All ~~employees of the Commission shall be transferred to~~ Festival Park staff shall be considered employees of the Department of Natural and Cultural Resources and shall be paid from the Historic Roanoke Island Fund as provided in ~~G.S. 143B-131.8A.~~G.S. 143-202.3. Except as otherwise provided in this section, or G.S. 126-5, ~~all employees who are transferred from the Commission to the Department of Natural and Cultural Resources~~ these employees shall retain the same designations under the North Carolina Human Resources Act, Chapter 126 of the General Statutes, as they had prior to the transfer."

SECTION 14.8.(d) G.S. 121-7.3 reads as rewritten:

"**§ 121-7.3. Admission and related activity fees and operating hours.**

The Department of Natural and Cultural Resources may charge a reasonable admission and related activity fee to the Roanoke Island Festival Park and any historic site or museum administered by the Department. Admission and related activity fees collected under this section are receipts of the Department and shall be deposited in the appropriate special fund. The revenue collected pursuant to this section shall be used only for the individual ~~historic site or museum~~ site or venue where the receipts were generated. The Secretary may adopt rules necessary to carry out the provisions of this section. The Department is exempt from the requirements of Chapter 150B of the General Statutes and G.S. 12-3.1 when adopting, amending, or repealing rules for operating hours and admission fees or related activity fees at the Roanoke Island Festival Park, historic ~~sites~~ sites, and museums. The Department shall

submit a report to the Joint Legislative Commission on Governmental Operations on the amount and purpose of a fee change within 30 days following its effective date."

SECTION 14.8.(e) Effective October 1, 2017, Part 27A of Article 2 of Chapter 143B of the General Statutes is repealed and the Roanoke Island Commission is abolished. All powers, assets, liabilities, contracts, and agreements with, of, or issued by the Roanoke Island Commission are vested in and transferred to the Department of Natural and Cultural Resources as the successor in interest to the Commission. Any references to purposes of the Commission set forth in G.S. 143B-131.2 shall be construed to refer to the purposes set forth in G.S. 143-202.2, as enacted by subsection (b) of this section.

SECTION 14.8.(f) Any certificates of appropriateness for the U.S. Highway 64/264 or the U.S. 64/264 Bypass travel corridor issued by any local government under former Part 27A of Article 2 of Chapter 143B of the General Statutes remain valid and in effect as issued.

SECTION 14.8.(g) Notwithstanding G.S. 143-200(2)b. and c., as enacted by subsection (a) of this section, the initial appointments of the General Assembly to the Roanoke Island Historical Association Board shall be the chair and vice-chair of the Roanoke Island Commission holding that office on September 30, 2017, who shall serve the initial term set forth in G.S. 143-200(2)b. and c.

SECTION 14.8.(h) The Department of Natural and Cultural Resources shall enter into the Memorandum of Agreement required by G.S. 143-202.1, as enacted by subsection (a) of this section, no later than January 15, 2018, and shall submit a copy of the Memorandum of Agreement to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division prior to the convening of the 2018 Regular Session of the 2017 General Assembly.

SECTION 14.8.(i) This section becomes effective October 1, 2017.

LUMBER RIVER STATE PARK

SECTION 14.9. The Division of Parks and Recreation of the Department of Natural and Cultural Resources may move the Lumber River State Park's primary office and headquarters to the Lumber River Visitors Center in Fair Bluff. If the Division decides to relocate the headquarters, the Division and the Department of Transportation shall work together to enable and facilitate the move.

PART XV. DEPARTMENT OF COMMERCE

NER BLOCK GRANTS FOR 2018 AND 2019 PROGRAM YEARS/USE OF DEOBLIGATED FUNDS

SECTION 15.1.(a) Appropriations from federal block grant funds are made for the fiscal years ending June 30, 2018, and June 30, 2019, according to the following schedule:

COMMUNITY DEVELOPMENT BLOCK GRANT

01.	State Administration	$ 1,037,500
02.	Neighborhood Revitalization	10,000,000
03.	Economic Development	10,737,500
04.	Infrastructure	21,725,000

TOTAL COMMUNITY DEVELOPMENT

BLOCK GRANT – 2018 Program Year	**$ 43,500,000**
2019 Program Year	**$ 43,500,000**

SECTION 15.1.(b) If federal funds are reduced below the amounts specified in this section after the effective date of this act, then every program in each of these federal block grants shall be reduced by the same percentage as the reduction in federal funds.

SECTION 15.1.(c) Any block grant funds appropriated by the Congress of the United States in addition to the funds specified in this section shall be expended as follows: each program category under the Community Development Block Grant shall be increased by the same percentage as the increase in federal funds.

SECTION 15.1.(d) Of the funds appropriated in this section for the Community Development Block Grant, the following shall be allocated in each category for each program year: up to one million thirty-seven thousand five hundred dollars ($1,037,500) may be used for State Administration; up to ten million dollars ($10,000,000) may be used for Neighborhood Revitalization; up to ten million seven hundred thirty-seven thousand five hundred dollars ($10,737,500) may be used for Economic Development; and up to twenty-one million seven hundred twenty-five thousand dollars ($21,725,000) may be used for infrastructure. If federal block grant funds are reduced or increased by the Congress of the United States after the effective date of this act, then these reductions or increases shall be allocated in accordance with subsection (b) or (c) of this section, as applicable.

SECTION 15.1.(e) The Department of Commerce shall consult with the Joint Legislative Commission on Governmental Operations prior to reallocating Community Development Block Grant Funds. Notwithstanding the provisions of this subsection, whenever the Director of the Budget finds that:

(1) A reallocation is required because of an emergency that poses an imminent threat to public health or public safety, the Director of the Budget may authorize the reallocation without consulting the Commission. The Department of Commerce shall report to the Commission on the reallocation no later than 30 days after it was authorized and shall identify in the report the emergency, the type of action taken, and how it was related to the emergency.

(2) The State will lose federal block grant funds or receive less federal block grant funds in the next fiscal year unless a reallocation is made. The Department of Commerce shall provide a written report to the Commission on the proposed reallocation and shall identify the reason that failure to take action will result in the loss of federal funds. If the Commission does not hear the issue within 30 days of receipt of the report, the Department may take the action without consulting the Commission.

SECTION 15.1.(f) By September 1, 2017, and September 1, 2018, the Department of Commerce shall report to the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the Joint Legislative Economic Development and Global Engagement Oversight Committee, and the Fiscal Research Division on the use of Community Development Block Grant Funds appropriated in the prior fiscal year. The report shall include the following:

(1) A discussion of each of the categories of funding and how the categories were selected, including information on how a determination was made that there was a statewide need in each of the categories.

(2) Information on the number of applications that were received in each category and the total dollar amount requested in each category.

(3) A list of grantees, including the grantee's name, county, category under which the grant was funded, the amount awarded, and a narrative description of the project.

SECTION 15.1.(g) For purposes of this section, eligible activities under the category of infrastructure in subsection (a) of this section shall be defined as provided in the HUD State Administered Community Development Block Grant definition of the term "infrastructure." Notwithstanding the provisions of subsection (e) of this section, funds allocated to the infrastructure category in subsection (a) of this section shall not be reallocated to any other category.

SECTION 15.1.(h) Throughout each year, deobligated funds arise in the various funding categories and program years of the Community Development Block Grant (CDBG) program as a result of (i) projects coming in under budget, (ii) projects being cancelled, or (iii) projects being required to repay funds. Surplus federal administrative funds in the CDBG program may vary from year-to-year based upon the amount of State-appropriated funds allocated and the amount of eligible in-kind funds identified.

SECTION 15.1.(i) To allow the Department of Commerce and the Department of Environmental Quality to quickly deploy deobligated and surplus federal administrative funds as they are identified throughout the program year, the following shall apply to the use of deobligated CDBG funds and surplus federal administrative funds:

(1) All surplus federal administrative funds shall be divided equally between the Departments of Commerce and Environmental Quality and shall be used as provided in subdivisions (2) and (3) of this subsection.

(2) All deobligated funds allocated to the Department of Commerce and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:

a. To issue grants in the CDBG economic development or neighborhood revitalization program category.

b. For providing training and guidance to local governments relative to the CDBG program, its management, and administrative requirements.

c. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.

(3) All deobligated funds allocated to the Department of Environmental Quality and any surplus federal administrative funds, as provided for in subdivision (1) of this subsection, may be used by the Department for all of the following:

a. To issue grants in the CDBG infrastructure program category.

b. For any other purpose consistent with the Department's administration of the CDBG program if an equal amount of State matching funds is available.

TRAVEL AND TOURISM BOARD TECHNICAL CORRECTION

SECTION 15.2. G.S. 143B-434.1(d) reads as rewritten:

"(d) The members of the Board shall serve the following terms: the Secretary of Commerce, the chief executive officer of the nonprofit corporation with which the Department contracts pursuant to G.S. 143B-431.01(b), and the Chair of the Travel and Tourism Coalition shall serve on the Board while they hold their respective offices. Each member of the Board appointed by the Governor shall serve during his or her term of office. The members of the Board appointed by the ~~General Assembly~~Speaker of the House of Representatives and the President Pro Tempore of the Senate shall serve two-year terms beginning on September 1 of

~~odd-numbered~~even-numbered years and ending on August 31. The first such term shall begin on September 1, 2016, or as soon thereafter as the member is appointed to the Board, and end on August 31, 2018. All other members of the Board shall serve a term which includes the portion of calendar year 2016 that remains following their appointment or designation and ends on August 31, 2017, and, thereafter, two-year terms which shall begin on September 1 of an ~~even-numbered~~ odd-numbered year and end on August 31. The first such two-year term shall begin on September 1, 2017, and end on August 31, 2019."

EDPNC REPORTING DATE CHANGE

SECTION 15.3.(a) G.S. 143B-431.01(f) reads as rewritten:

"(f) Report. – By ~~September 30~~December 31 of each year, and more frequently as requested, the Department shall submit a report to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Economic Development and Global Engagement Oversight Committee, and the Fiscal Research Division on any performance for which the Department has contracted pursuant to this section. The report shall contain, at a minimum, each of the ~~following:~~following presented on a calendar year basis:

...."

SECTION 15.3.(b) To enable data comparison, portions of the report required pursuant to G.S. 143B-431.01(f) that contain references to prior submitted reports or data shall, where possible, be presented on a calendar year basis.

SECTION 15.3.(c) This section becomes effective October 1, 2017, and applies to the report due on or before December 31 of 2017 and subsequent years.

EDPNC CONTRACT MODIFICATIONS

SECTION 15.4. Notwithstanding G.S. 143B-431.01(e)(14), the Secretary of Commerce shall enter into negotiations with the Economic Development Partnership of North Carolina to amend the contract with the Partnership for the fund-raising year in effect as of the effective date of this section to (i) reduce to five hundred thousand dollars ($500,000) the amount the Partnership must receive from fund-raising efforts and sources other than State funds and (ii) permit amounts for the fiscal year raised in excess of the amount required by this section to apply to the amount required to be raised for the subsequent fiscal year.

BUDGET CODE REORGANIZATION FOR COMMERCE

SECTION 15.5. The Office of State Budget and Management shall establish a fund code for the International Recruitment Coordination Office (IRCO) in the budget for the Department of Commerce in Budget Code 14600 for the purpose of removing the IRCO from the Administrative Services fund code. The changes authorized by this section shall be completed by September 30, 2017, but are effective from July 1, 2017, and shall be reflected in the base budget for the 2019-2021 fiscal biennium.

DEPARTMENT OF COMMERCE WEB SITE

SECTION 15.6. Notwithstanding any provision of law to the contrary, of the funds appropriated in this act to the Department of Commerce, the sum of five hundred thousand dollars ($500,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to enter into an agreement with a third-party vendor to develop and implement a new Internet Web site for the Department.

SITE AND BUILDING DEVELOPMENT FUND

SECTION 15.7.(a) Article 10 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-437.02B. Site and Building Development Fund.**

(a) Definitions. – The following definitions apply in this section:
(1) Code. – Defined in G.S. 105-228.90.
(2) Department. – The Department of Commerce.
(3) Development plan. – A strategic analysis of potential qualified business facilities required by this section to be maintained by the Department and updated every four years.
(4) Fund. – The Site and Building Development Fund established in this section.
(5) Local government. – Any of the following:
a. A city as defined in G.S. 160A-1.
b. A county.
c. A consolidated city-county as defined in G.S. 160B-2.
(6) Local government unit. – The term includes a local government, a nonprofit economic development corporation, and any combination of local governments or nonprofit economic development corporations.
(7) Long-term lease. – A lease agreement with a maximum duration exceeding three years, including any extensions allowed by the lease agreement.
(8) Nonprofit economic development corporation. – A corporation meeting all of the following requirements:
a. Exempt from income tax under Section 501(c)(3) or Section 501(c)(6) of the Code.
b. Established to assist one or more local governments in reducing the burden of economic development efforts.
c. Acknowledged through a resolution of one or more local governments that contains all of the following:
1. Statement that the corporation is acting in support of the local government in economic development efforts.
2. Nonbinding pledge to repay the Fund if the corporation fails to make any required loan payments.
(9) Qualified business facilities. – Real property, improvements to real property, and planned improvements to real property. Improvements to real property include the following:
a. New buildings, renovations to buildings, and upfitting buildings.
b. Water lines, sewer lines, and other utility improvements.
c. Roads, grading, signage, and other access improvements.
d. Measures necessary for permitting, including services.
e. Any other measures necessary for the land to be marketable for immediate use in commercial operations, including necessary services.
(10) Sale. – Any transfer of ownership, including involuntary transfers.

(b) Fund Established. – The Site and Building Development Fund is created as a restricted reserve in the Department. The Fund does not revert but remains available to the Department for the purposes of this section.

(c) Use of the Fund. – The Department shall use the Fund for the following purposes:
(1) Loans to local government units for the acquisition and development of qualified business facilities in accordance with this section.
(2) Expenses directly related to the operation of the Fund and administering loans from the Fund, including the cost of the development plan required by this section.

(d) Application. – The Department shall require a local government unit to submit an application in order for a project to be considered for a loan from the Fund. The Department shall prescribe the form of the application, the application process, and the information to be

provided, including all information necessary to evaluate the qualified business facility in accordance with this section.

(e) Selection. – The Department shall administer the selection of qualified business facilities to receive loans from the Fund. The Department shall develop written guidelines to identify and evaluate qualified business facilities. The Department shall issue written findings addressing any application approved for a loan from the Fund. The Department shall consider the following factors in approving applications for loans from the Fund:

(1) Consistency with the economic development goals of the State and of the area where the qualified business facility will be located.

(2) The priority recommendations in the development plan.

(3) Preference for qualified business facilities located in rural or less-developed areas of the State.

(4) Evaluation of the application to determine if the qualified business facilities are merited and appropriate for the proposed use.

(5) Necessity of a loan from the Fund for the completion of the qualified business facility.

(f) Development Plan. – The Department shall obtain a strategic analysis of potential qualified business facilities and an update to the analysis every four years. The Department shall contract with another entity with demonstrated experience in site selection services for businesses and in evaluating sites for business recruitment purposes.

(g) Awards. – If the Department approves an application for a qualified business facility, the Department shall determine the amount of the loan from the Fund, the preferred form and details of the loan participation, and the safeguards to protect the State's investment.

(h) Maximum Award to Tier Three Counties. – The maximum outstanding loan balance from the Fund to qualified business facilities located in tier three counties, based on the designation assigned pursuant to G.S. 143B-437.08, shall be thirty percent (30%) of the difference between the cumulative total appropriations into the Fund and total expenses paid from the Fund.

(i) Loan Terms. – Loans from the Fund shall meet the following requirements:

(1) The loan is evidenced by a promissory note and secured by a first deed of trust on the qualified business facility.

(2) The maximum duration of a loan is 15 years.

(3) The loan is due upon the sale or long-term lease of the qualified business facility. Principal and accrued interest must be paid when the loan is due or more frequently.

(4) The interest rate of a loan is zero percent (0%) for tier one counties, one percent (1%) for tier two counties, and two percent (2%) for tier three counties, based on the designation assigned to counties pursuant to G.S. 143B-437.08.

(5) The loan agreement shall require the local government unit to obtain from any entity leasing or purchasing the qualified business facility the following:

a. An agreement that the entity will not use the qualified business facility for retail, professional office, sporting event, museum, or governmental purposes for at least five years after the lease or purchase.

b. A legal opinion based on a search of public records that the entity leasing or purchasing the qualified business facility has no debts related to unpaid taxes.

(j) Multiple Loans. – One or more financial institutions may hold a security interest on the qualified business facility with a priority equal to the security interest for the loan from the Fund if there is a written intercreditor agreement between the Department and other equal

priority creditors that provides that, in the event of default, any loss is shared among the creditors in proportion to the amount loaned.

(k) Payments. – The Department shall be responsible for monitoring the loan and administering the repayment. The Department shall remit all amounts paid under this section to the Fund.

(l) Release. – The Department, at its discretion, may release property from the first deed of trust if adequate security remains for the outstanding balance of the loan from the Fund. The Department may use this authority to release property to restructure the terms of the loan and participate in financing transactions involving the qualified business facility.

(m) Limitation. – Nothing in this section constitutes or authorizes a guarantee or assumption by the State of any debt of any business or authorizes the taxing power or the full faith and credit of the State to be pledged.

(n) Notice of Guidelines. – At least 20 days before the effective date of any guidelines, the Department shall publish the proposed guidelines on the Department's Web site and provide notice to persons who have requested notice. In addition, the Department shall accept written comments on the proposed guidelines during the 15 business days beginning on the first day the Department has completed the notice requirement of this subsection. Amendments to the guidelines to correct spelling, grammatical, or typographical errors do not require notice.

(o) Reports. – On September 1 of each year until the Fund has no assets, the Department shall submit a written report on the Fund to the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Economic Development and Global Engagement Oversight Committee, and the Fiscal Research Division and publish this report on its Web site. This report shall contain at least all of the following:

(1) A listing of each outstanding loan, including the date of loan, amount of loan, outstanding amount of loan, interest rate, maturity date, location of qualified business facility acting as security, brief property description, identity of local government unit receiving the loan, status of repayment, current use of the qualified business facility, and identification of loans made since the last report.

(2) Written findings addressing any application approved for a loan from the Fund since the last report, as required by subsection (e) of this section.

(3) Detailed information about any defaults and repayment since the last report.

(4) Information contained in the report required by G.S. 105-277.15A(g)."

SECTION 15.7.(b) G.S. 150B-1(d) is amended by adding a new subdivision to read:

"(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

...

(29) The Department of Commerce in developing criteria and guidelines under G.S. 143B-437.02B."

SECTION 15.7.(c) The provisions of this section are not subject to the terms of G.S. 160A-20.

SECTION 15.7.(d) This section does not obligate the General Assembly to appropriate funds to implement it.

REVITALIZATION AND ECONOMIC DEVELOPMENT GRANTS

SECTION 15.8.(a) Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of nine hundred fifty thousand dollars ($950,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide

grants-in-aid for downtown revitalization projects for each of the following municipalities in the following amounts: two hundred thousand dollars ($200,000) to the Town of Bath; one hundred thousand dollars ($100,000) each to the Town of Emerald Isle and the Town of Haw River; ninety thousand dollars ($90,000) each to the Town of Walnut Cove and the City of King; seventy thousand dollars ($70,000) to the Town of Liberty; sixty thousand dollars ($60,000) each to the Town of Gibsonville and the Town of Ramseur; fifty thousand dollars ($50,000) each to the City of Burlington and the City of Graham; forty thousand dollars ($40,000) to the Town of Maysville; and twenty thousand dollars ($20,000) each to the Town of Trenton and the Town of Pollocksville.

SECTION 15.8.(b) Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide a grant-in-aid to the Washington Harbor District Alliance for the purpose of rehabilitating a historic downtown building to be used for a permanent farmers and artisans market in downtown Washington.

SECTION 15.8.(c) Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of one hundred eighty thousand dollars ($180,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide a grant-in-aid to the Town of Mount Olive to be used to support the agriculture program at the University of Mount Olive.

SECTION 15.8.(d) Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of thirty thousand dollars ($30,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used to provide a grant-in-aid to the Textile Heritage Museum in Glencoe.

SECTION 15.8.(e) Of the funds appropriated in this act to the Rural Economic Development Division of the Department of Commerce, the sum of one million five hundred thousand dollars ($1,500,000) in nonrecurring funds for the 2017-2018 fiscal year shall be used as a challenge grant to the City of High Point to raise the sum of one million five hundred thousand dollars ($1,500,000) in private funds for the development of a design factory project in downtown High Point, which will provide a makerspace for entrepreneurs, designers, manufacturers, and artisans to collaborate and work together. The allocation of one million five hundred thousand dollars ($1,500,000) under this section is contingent upon receipt by the City of High Point of one million five hundred thousand dollars ($1,500,000) in private funds for the purpose of developing a design factory project in downtown High Point.

The Rural Economic Development Division shall disburse the challenge grant funds of one million five hundred thousand dollars ($1,500,000) to the City of High Point upon notification and appropriate documentation that the sum of one million five hundred thousand dollars ($1,500,000) in private funds has been raised pursuant to this section. Any unmatched funds pursuant to this section shall revert to the General Fund on June 30, 2019.

MAIN STREET SOLUTIONS FUND ALLOCATIONS

SECTION 15.9.(a) Of the funds appropriated by this act to the Department of Commerce for the Main Street Solutions Fund for the 2017-2018 fiscal year, the Department shall allocate two hundred thousand dollars ($200,000) in nonrecurring funds for downtown revitalization projects in the following municipalities for the following amounts: one hundred thousand dollars ($100,000) each to the Town of Pembroke and the City of Lumberton.

SECTION 15.9.(b) Of the funds appropriated in this act to the Department of Commerce for the Main Street Solutions Fund for the 2017-2018 fiscal year, the Department shall allocate one hundred fifty thousand dollars ($150,000) in nonrecurring funds to the City of Lumberton to be used for the repair of the Riverwalk.

PROSPERITY ZONE REPORTING

SECTION 15.10.(a) For each Collaboration for Prosperity Zone established in G.S. 143B-28.1, the employees of the Department of Commerce in the zone shall submit a report on or before September 1 of each year to the Joint Legislative Economic Development and Global Engagement Oversight Committee and the Fiscal Research Division on the following: (i) jobs anticipated to result from efforts of the employees, including the name and contact person of each company creating new jobs in the zone, (ii) the location of each project, including the development tier designation of the location, and (iii) project leads that were not submitted to the Department for possible discretionary incentives pursuant to Chapter 143B of the General Statutes.

SECTION 15.10.(b) The Department of Commerce shall develop performance metrics for Community Planners for the Collaboration for Prosperity Zones established in G.S. 143B-28.1. At a minimum, the performance metrics shall include the following:

(1) Existing business expansion activities, service requests, and number of contacts and inquiries.

(2) New business location activities and number of contacts and inquiries.

The Department of Commerce shall submit a report on or before September 1 of each year to the Joint Legislative Economic Development and Global Engagement Oversight Committee and the Fiscal Research Division detailing the performance metrics and the measurements observed for each Community Planner within the Collaboration for Prosperity Zones.

WASTEWATER FUNDING REPORT

SECTION 15.11. The Johnston County Research and Training Zone shall submit a report detailing its use of State funds appropriated by this act. The report shall be submitted to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division by September 1 of each year State funds are received, and more frequently as requested, and shall include the information required by this section for the most recently ended fiscal year.

YOUTH WORKFORCE INVESTMENT PROGRAM CHANGES

SECTION 15.12.(a) The local Workforce Development Boards created pursuant to G.S. 143B-438.11 shall include in their State-developed criteria to be used in awarding grants for youth workforce investment activities pursuant to Section 129 of the federal Workforce Innovation and Opportunity Act a competitive process that requires grant recipients to provide at least the following information as part of the application process and consideration of grant awards:

(1) The extent to which the organization specifically focuses on serving at-risk youth, including youth who are at risk of school dropout or at risk of school displacement due to suspension or expulsion.

(2) Whether the organization leverages community-based resources, including partnerships with organizations that provide mentoring services and private-sector employer involvement.

(3) The use of an evidence-based program model by the organization with a proven track record of success.

(4) The inclusion of rigorous, quantitative performance measures by the organization to confirm effectiveness of the program.

(5) The deployment of comprehensive support services to youth, including addressing behavioral issues, emphasizing academic and career growth, and enhancing parent and family engagement.

SECTION 15.12.(b) The local Workforce Development Boards shall coordinate with the NCWorks Commission to update the Workforce Innovation and Opportunity Act Unified State Plan, as needed, to reflect the inclusions to the State-developed criteria required by subsection (a) of this section.

SECTION 15.12.(c) On or before October 1 of each year, the local Workforce Development Boards shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Education Oversight Committee, and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources. The report shall also contain a list of grant recipients and the amount received by the grant recipients.

APPRENTICESHIPNC/TRANSFER STATE APPRENTICESHIP PROGRAM

SECTION 15.13.(a) All functions, powers, duties, obligations, resources, and appropriations vested in the Apprenticeship Program and the Apprenticeship Council are transferred to, vested in, and consolidated into the North Carolina Community Colleges System Office as a Type I transfer, as defined in G.S. 143A-6. The State Board of Community Colleges, the Community Colleges System Office, and the Office of State Budget and Management are authorized to take all other steps necessary to consolidate the Apprenticeship Program and the Apprenticeship Council into the Community Colleges System Office. Joint delivery of Apprenticeship and Community College workforce training programs shall ensure coordination of program delivery and appropriate classroom training supporting the needs of students and employers.

SECTION 15.13.(b) Article 1 of Chapter 115D of the General Statutes is amended by adding a new section to read:

"**§ 115D-5.3. ApprenticeshipNC program; Apprenticeship Council; transfer.**

The ApprenticeshipNC program and the Apprenticeship Council, as contained in Chapter 94 of the General Statutes and the laws of this State, are hereby transferred by a Type I transfer to the North Carolina Community Colleges System Office."

SECTION 15.13.(c) Chapter 94 of the General Statutes reads as rewritten:

"**Chapter 94.**

"~~Apprenticeship.~~**ApprenticeshipNC.**

"**§ 94-1. Purpose.**

The purposes of this Chapter are: to open to young people the opportunity to obtain training that will equip them for profitable employment and citizenship; to set up, as a means to this end, a program of voluntary apprenticeship under approved apprentice agreements providing facilities for their training and guidance in the arts and crafts of industry and trade, with parallel instruction in related and supplementary education; to promote employment opportunities for young people under conditions providing adequate training and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to coordinate workforce education and customized training tools to fill talent pipeline gaps, as appropriate, with local business and industry; to establish an Apprenticeship Council and apprenticeship committees and sponsors to assist in effectuating the purposes of this Chapter; to leverage the collaborative and regional structure of the community college service areas with the Collaboration for Prosperity Zones set out in G.S. 143B-28.1; to provide for a Director of ~~Apprenticeship~~ApprenticeshipNC within the ~~Department of Commerce;~~Community Colleges System Office; to provide for reports to the legislature and to the public regarding the

status of apprentice training in the State; to establish a procedure for the determination of apprentice agreement controversies; and to accomplish related ends.

"§ 94-2. Apprenticeship Council.

The ~~Secretary of Commerce~~State Board of Community Colleges shall appoint an Apprenticeship Council composed of four representatives each from employer and employee organizations respectively and three representatives from the public at large. One State official designated by the Department of Public Instruction and one State official designated by the Department of ~~Community Colleges~~Commerce shall be a member ex officio of said council, without vote. The terms of office of the members of the Apprenticeship Council ~~first appointed by the Secretary of Commerce shall expire as~~shall be designated by the ~~Secretary at the time of making the appointment: two representatives each of employers and employees, being appointed for one year and one representative of the public at large being appointed for two years; and one representative each of employers, employees, and the public at large being appointed for a term of three years.~~ State Board. Any member appointed to fill a vacancy occurring prior to the expiration of the term of his or her predecessor shall be appointed for the remainder of said term. Each member of the Council not otherwise compensated by public moneys, shall be reimbursed for transportation and shall receive such per diem compensation as is provided generally for boards and commissions under the biennial maintenance appropriation acts for each day spent in attendance at meetings of the Apprenticeship Council. The ~~Secretary of Commerce~~State Board of Community Colleges shall annually appoint one member of the Council to act as its chairman.

The Apprenticeship Council shall meet at the call of the ~~Secretary of Commerce~~State Board of Community Colleges and shall aid ~~him~~the State Board and the Community Colleges System Office in formulating policies for the effective administration of this Chapter. ~~Subject to the approval of the Secretary, the~~The Apprenticeship Council shall establish standards for apprentice ~~agreement~~ agreements which in no case shall be lower than those prescribed by this Chapter, shall ~~issue such~~recommend rules and regulations to the State Board of Community Colleges as may be necessary to carry out the intent and purposes of said Chapter, and shall perform such other functions as the ~~Secretary~~State Board of Community Colleges may direct. Not less than once a year the Apprenticeship Council shall make a report through the ~~Secretary~~Community Colleges System Office of its activities and findings to the legislature and to the public.

"§ 94-3. Director of ~~Apprenticeship.~~ApprenticeshipNC.

The ~~Secretary of Commerce~~State Board of Community Colleges is hereby directed to appoint a Director of ~~Apprenticeship~~ApprenticeshipNC, which appointment shall be subject to the confirmation of the State Apprenticeship Council by a majority vote. ~~The Secretary of Commerce~~Upon the recommendation of the Director, the State Board of Community Colleges is further authorized to appoint and employ such clerical, technical, and professional help as shall be necessary to effectuate the purposes of this Chapter. The Director shall supervise clerical, technical, and professional staff appointed to administer the ApprenticeshipNC program.

"§ 94-4. Powers and duties of Director of ~~Apprenticeship.~~ApprenticeshipNC.

The Director, under the supervision of the ~~Secretary of Commerce~~President of the North Carolina Community College System or the President's designee and with the advice and guidance of the Apprenticeship Council is authorized to administer the provisions of this Chapter; in cooperation with the Apprenticeship Council and apprenticeship committees and sponsors, to set up conditions and training standards for apprentice agreements, which conditions or standards shall in no case be lower than those prescribed by this Chapter; to act as secretary of the Apprenticeship Council; to approve for the Council if in his or her opinion approval is for the best interest of the apprenticeship any apprentice agreement which meets the standards established under this Chapter; to terminate or cancel any apprentice agreement in

accordance with the provisions of such agreement; to keep a record of apprentice agreements and their disposition; to issue certificates of completion of apprenticeship; and to perform such other duties as are necessary to carry out the intent of this Chapter, including other on-job training necessary for emergency and critical civilian production: Provided, that the administration and supervision of related and supplemental instruction for apprentices, coordination of instruction with job experiences, and the selection and training of teachers and coordinators for such instruction shall be the responsibility of State and local boards responsible for vocational education.

"**§ 94-5. Apprenticeship committees and program sponsors.**

(a) As used in this Chapter:

...

(2) "Apprenticeship agreement" means a written agreement between an apprentice and either his or her employer or an apprenticeship committee or sponsor acting as agent for ~~employer(s),~~employers, which agreement satisfies the requirements of G.S. 94-7.

(2a) "ApprenticeshipNC" means the statewide apprenticeship program administered by the Community Colleges System Office in accordance with this Chapter.

...

"**§ 94-6. Definition of an apprentice.**

The term "apprentice," as used herein, shall mean a person at least 16 years of age who is covered by a written apprenticeship agreement approved by the Apprenticeship Council, which apprenticeship agreement provides for not less than 2,000 hours of reasonably continuous employment for such person for his or her participation in an approved schedule of work experience and for organized, related supplemental instruction in technical subjects related to the trade. A minimum of 144 hours of related supplemental instruction for each year of apprenticeship is recommended. The required hours for apprenticeship agreements and the recommended hours for related supplemental instruction may be decreased or increased in accordance with standards adopted by the apprenticeship committee or sponsor, subject to approval of the ~~Secretary of Commerce.~~State Board of Community Colleges.

...

"**§ 94-9. Rotation of employment.**

For the purpose of providing greater diversity of training or continuity of employment, any apprentice agreement made under this Chapter may in the discretion of the Director of ~~Apprenticeship~~ApprenticeshipNC be signed by an association of employers or an organization of employees instead of by an individual employer. In such a case, the apprentice agreement shall expressly provide that the association of employers or organization of employees does not assume the obligation of an employer but agrees to use its best endeavors to procure employment and training for such apprentice with one or more employers who will accept full responsibility, as herein provided, for all the terms and conditions of employment and training set forth in said agreement between the apprentice and employer association or employee organization during the period of each such employment. The apprentice agreement in such a case shall also expressly provide for the transfer of the apprentice, subject to the approval of the Director, to such employer or employers who shall sign in written agreement with the apprentice, and if the apprentice is a minor with his or her parent or guardian, as specified in G.S. 94-8, contracting to employ said apprentice for the whole or a definite part of the total period of apprenticeship under the terms and conditions of employment and training set forth in the said agreement entered into between the apprentice and employer association or employee organization.

...

"**§ 94-11. Limitation.**

Nothing in this Chapter or in any apprentice agreement approved under this Chapter shall operate to invalidate any apprenticeship provision in any collective agreement between employers and employees, setting up higher apprenticeship standards; provided, that none of the terms or provisions of this Chapter shall apply to any person, firm, corporation or crafts unless, until, and only so long as such person, firm, corporation or crafts voluntarily elects that the terms and provisions of this Chapter shall apply. Any person, firm, corporation or crafts terminating an apprenticeship agreement shall notify the Director of ~~Apprenticeship.~~ApprenticeshipNC.

...."

SECTION 15.13.(d) Notwithstanding G.S. 94-2, as amended by this section, the current members serving on the Apprenticeship Council as of July 1, 2017, shall serve the remainder of their terms. Thereafter, as terms expire, or when a vacancy occurs prior to the expiration of a term, members on the Apprenticeship Council shall be appointed by the State Board of Community Colleges in accordance with G.S. 94-2, as amended by this section.

SECTION 15.13.(e) Of the Workforce Investment Act funds awarded to the North Carolina Department of Commerce by the United States Department of Labor, the sum of three hundred fifty thousand dollars ($350,000) shall be transferred to the Community Colleges System Office for the administration of ApprenticeshipNC on a recurring basis for the 2017-2019 fiscal biennium.

SECTION 15.13.(f) Within 90 days of the date this act becomes law, the Department of Commerce shall submit a Workforce Innovation and Opportunity Act State Plan amendment to the United States Department of Labor to designate the Community Colleges System Office as the State agency responsible for the administration of ApprenticeshipNC as provided for in this section.

SUBPART XV-A. COMMERCE – STATE AID

NC BIOTECHNOLOGY CENTER

SECTION 15A.1.(a) Of the funds appropriated in this act to the Department of Commerce, the sum of twelve million nine hundred twenty thousand three hundred twenty-one dollars ($12,920,321) for each fiscal year in the 2017-2019 biennium shall be allocated to the North Carolina Biotechnology Center (hereinafter "Center") for the following purposes:

(1) Job Creation: AgBiotech Initiative, Economic and Industrial Development, and related activities – two million nine hundred twenty-four thousand seventy-three dollars ($2,924,073).

(2) Science and Commercialization: Science and Technology Development, Centers of Innovation, Business and Technology Development, Education and Training, and related activities – eight million seven hundred four thousand two hundred sixteen dollars ($8,704,216).

(3) Center Operations: Administration, Professional and Technical Assistance and Oversight, Corporate Communications, Human Resource Management, Financial and Grant Administration, Legal, and Accounting – one million two hundred ninety-two thousand thirty-two dollars ($1,292,032).

SECTION 15A.1.(b) No less than seventy-five percent (75%) of the State funds disbursed pursuant to this section that are awarded by the Center shall be in the form of loans.

SECTION 15A.1.(c) Except to provide administrative flexibility, up to ten percent (10%) of each of the allocations in subsection (a) of this section may be reallocated to one or more of the other allocations in subsection (a) of this section if, in the judgment of Center management, the reallocation will advance the mission of the Center. Funds allocated pursuant to this section for the 2017-2018 fiscal year that are unexpended and unencumbered on June 30,

2018, and funds disbursed pursuant to this section for the 2018-2019 fiscal year that are unexpended and unencumbered on June 30, 2019, shall revert to the General Fund.

SECTION 15A.1.(d) The Center shall provide an annual match of one non-State dollar for every four State dollars allocated pursuant to this section. On or before April 1 of each year of the 2017-2019 fiscal biennium, the Center shall provide appropriate documentation to the Department of Commerce that the matching requirement has been satisfied. The Department shall take action to recapture any funds allocated during either fiscal year of the 2017-2019 fiscal biennium that have not met the matching requirement of this subsection.

COMMERCE NONPROFITS/REPORTING REQUIREMENTS

SECTION 15A.2. High Point Furniture Market Authority, North Carolina Biotechnology Center, North Carolina Coastal Federation, and RTI International shall do the following for each year that State funds are expended:

(1) By September 1 of each year, and more frequently as requested, report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division on prior State fiscal year program activities, objectives, and accomplishments and prior State fiscal year itemized expenditures and fund sources.

(2) Provide to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the chairs of the House of Representatives Appropriations Committee on Agriculture and Natural and Economic Resources, the chairs of the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources, and the Fiscal Research Division a copy of the entity's annual audited financial statement within 30 days of issuance of the statement.

PART XVI. DEPARTMENT OF PUBLIC SAFETY

MODIFY DPS/CREATE NEW DEPARTMENT OF ADULT CORRECTION AND JUVENILE JUSTICE

CREATE DIVISION OF ALCOHOL LAW ENFORCEMENT IN THE DEPARTMENT OF PUBLIC SAFETY

SECTION 16.1.(a) The Alcohol Law Enforcement Branch of the State Bureau of Investigation shall be relocated as a Division of the Department of Public Safety.

SECTION 16.1.(b) Part 4 of Article 13 of Chapter 143B of the General Statutes is amended by adding a new Subpart to read:

"Subpart F. Alcohol Law Enforcement Division.

"**§ 143B-990. Creation of Alcohol Law Enforcement Division of the Department of Public Safety.**

There is created the Alcohol Law Enforcement Division in the Department of Public Safety with the organization, powers, and duties defined in Article 1 of this Chapter, except as modified in this Part."

SECTION 16.1.(c) G.S. 143B-928 is repealed.

SECTION 16.1.(d) G.S. 18B-500 reads as rewritten:

"**§ 18B-500. Alcohol law-enforcement agents.**

(a) Appointment. – The ~~Director of the State Bureau of Investigation~~Secretary of Public Safety shall appoint alcohol law-enforcement agents and other enforcement personnel. The ~~Director~~Secretary may also appoint regular employees of the Commission as alcohol law-enforcement agents. Alcohol law-enforcement agents shall be designated as "alcohol law-enforcement agents". Persons serving as reserve alcohol law-enforcement agents are considered employees of the Alcohol Law Enforcement ~~Branch~~ Division for workers' compensation purposes while performing duties assigned or approved by the ~~Head~~ Director of the Alcohol Law Enforcement ~~Branch~~ Division or the ~~Head's~~ Director's designee.

(b) Subject Matter Jurisdiction. – After taking the oath prescribed for a peace officer, an alcohol law-enforcement agent shall have authority to arrest and take other investigatory and enforcement actions for any ~~criminal offense. The primary responsibility of an agent shall be enforcement of~~offense related to the ABC and lottery laws.

...

(g) Shifting of Personnel From One District to Another. – The ~~Head~~ Director of the Alcohol Law Enforcement ~~Branch,~~ Division, under rules adopted by the Department of Public Safety may, from time to time, shift the forces from one district to another or consolidate more than one district force at any point for special purposes. Whenever an agent of the Alcohol Law Enforcement ~~Section~~ Division is transferred from one district to another for the convenience of the State or for reasons other than the request of the agent, the Department shall be responsible for transporting the household goods, furniture, and personal apparel of the agent and members of the agent's household."

SECTION 16.1.(e) G.S. 18B-501(b) reads as rewritten:

"(b) Subject Matter Jurisdiction. – After taking the oath prescribed for a peace officer, a local ABC officer may arrest and take other investigatory and enforcement actions for any ~~criminal offense; however, the primary responsibility of a local ABC officer is enforcement of~~offense related to the ABC ~~laws and Article 5 of Chapter 90 (The Controlled Substances Act).~~laws."

SECTION 16.1.(f) The Department of Public Safety shall continue to consolidate Alcohol Law Enforcement and State Bureau of Investigation Regions and Regional Offices in the same manner so that all district offices remain co-located.

SECTION 16.1.(g) G.S. 143B-919(c) reads as rewritten:

"**§ 143B-919. Investigations of lynchings, election frauds, etc.; services subject to call of Governor; witness fees and mileage for employees.**

...

(c) The State Bureau of Investigation is further authorized, upon request of the Governor or the Attorney General, to investigate the commission or attempted commission of the crimes defined in the following statutes:

(1) ~~All sections of~~ Article 4A of Chapter 14 of the General Statutes;
(1a) G.S. 14-43.11;
(2) G.S. 14-277.1;
(3) G.S. 14-277.2;
(4) G.S. 14-283;
(5) G.S. 14-284;
(6) G.S. 14-284.1;
(7) G.S. 14-288.2;
(8) G.S. 14-288.7;
(9) G.S. 14-288.8;
(10) G.S. 14-288.20;
(10a) G.S. 14-288.21;
(10b) G.S. 14-288.22;
(10c) G.S. 14-288.23;

(10d) G.S. 14-288.24;
(11) G.S. 14-284.2;
(12) G.S. 14-399(e);
(12a) G.S. 15A-287 and G.S. 15A-288;
(13) G.S. 130A-26.1;
(14) G.S. 143-215.6B;
(15) G.S. 143-215.88B; and
(16) G.S. 143-215.114B."

SECTION 16.1.(h) G.S. 143-651 reads as rewritten:

"**§ 143-651. Definitions.**

The following definitions apply in this Article:

....

~~(4a) Branch. – The Alcohol Law Enforcement Branch of the State Bureau of Investigation.~~

...

(7a) Division. – The Alcohol Law Enforcement Division of the Department of Public Safety.

...

(23b) Sanctioned amateur match. – Any match regulated by an amateur sports organization that has been recognized and approved by the ~~Branch.~~Division.

...."

SECTION 16.1.(i) The following statutes are amended by deleting the word "Branch" wherever it appears in uppercase and substituting "Division": G.S. 18B-101(5), 18B-201, 18B-202, 18B-203, 18B-504, 18B-805, 18B-902, 18B-903, 18B-904, 18C-163(b), 19-2.1, 105-259(b)(15), and 143-652.1 through 143-656.

SECTION 16.1.(j) Notwithstanding any other provision of law, there shall be no transfer of positions to or from the Alcohol Law Enforcement Branch (Budget Code 14550, Fund Code 1401) and no changes to the total authorized budget of the Alcohol Law Enforcement Branch, as it existed on March 1, 2017, prior to the transfer of the Alcohol Law Enforcement Branch from the State Bureau of Investigation to the Department of Public Safety. Under no circumstances shall funds be expended from Budget Code 24555-2410 – Law Enforcement – ALE Federal Forfeiture – US DOJ or Budget Code 24555-2415 – Law Enforcement – ALE Federal Forfeiture – US Treasury prior to the transfer of the Alcohol Law Enforcement Branch to the Department of Public Safety, unless those expenditures were reported to the General Assembly on or before March 1, 2017. This subsection shall not apply to transfers of positions or changes to the total authorized budget of the Alcohol Law Enforcement Branch that are expressly required by the Committee Report described in Section 39.2 of this act.

CREATE DIVISION OF STATE CAPITOL POLICE IN THE DEPARTMENT OF PUBLIC SAFETY

SECTION 16.1.(k) The State Capitol Police Section of the State Highway Patrol shall be relocated as a Division of the Department of Public Safety.

SECTION 16.1.(*l*) Subpart B of Part 4 of Article 13 of Chapter 143B of the General Statutes reads as rewritten:

"Subpart B. State Capitol ~~Police.~~Police Division.

"**§ 143B-911. Creation of State Capitol Police ~~Section~~ Division; powers and duties.**

(a) ~~Section~~ Division Established. – ~~There is hereby established, within the State Highway Patrol of the Department of Public Safety,~~ There is created the State Capitol Police ~~Section, which shall be organized and staffed in accordance with applicable laws and regulations and within the limits of authorized appropriations. The Chief, special officers, and~~

~~employees of the State Capitol Police Section are not considered members of the State Highway Patrol.~~Division of the Department of Public Safety with the organization, powers, and duties defined in Article 1 of this Chapter, except as modified in this Part.

(b) Purpose. – The State Capitol Police ~~Section~~ Division shall serve as a special police agency of the Department of Public Safety. The Chief of the State Capitol Police, appointed by the Secretary pursuant to G.S. 143B-602, with the approval of the Governor, may appoint as special police officers such reliable persons as ~~he~~ the Chief may deem necessary.

…."

SECTION 16.1.(m) G.S. 143B-602(8) reads as rewritten:

"**§ 143B-602. Powers and duties of the Secretary of Public Safety.**

The Secretary of Public Safety shall have the powers and duties as are conferred on the Secretary by this Article, delegated to the Secretary by the Governor, and conferred on the Secretary by the Constitution and laws of this State. These powers and duties include the following:

…

(8) Other powers and duties. – The Secretary has the following additional powers and duties:

…

f. Appointing, with the Governor's approval, a special police officer to serve as Chief of the State Capitol Police ~~Section of the State Highway Patrol.~~Division.

…."

SECTION 16.1.(n) Notwithstanding any other provision of law, there shall be no transfer of positions to or from the State Capitol Police Section (Budget Code 14550, Fund Code 1402) and no changes to the total authorized budget of the State Capitol Police Section, as it existed on March 1, 2017, prior to the transfer of the State Capitol Police from the State Highway Patrol to the Department of Public Safety. This subsection shall not apply to transfers of positions or changes to the total authorized budget of the State Capitol Police that are expressly required by the Committee Report described in Section 39.2 of this act.

CREATE DEPARTMENT OF ADULT CORRECTION AND JUVENILE JUSTICE

SECTION 16.1.(o) The Department of Adult Correction and Juvenile Justice is established as a new executive department. All functions, powers, duties, and obligations vested in the following divisions are transferred to, vested in, and consolidated within the Department of Adult Correction and Juvenile Justice by a Type I transfer, as defined in G.S. 143A-6:

(1) The Division of Adult Correction of the Department of Public Safety.

(2) The Division of Juvenile Justice of the Department of Public Safety.

SECTION 16.1.(p) Chapter 143B of the General Statutes is amended by adding a new Article to read:

"Article 16.

"Department of Adult Correction and Juvenile Justice.

"Part 1. General Provisions

"**§ 143B-1430. Organization.**

(a) There is established the Department of Adult Correction and Juvenile Justice. The head of the Department of Adult Correction and Juvenile Justice is the Secretary of Adult Correction and Juvenile Justice, who shall be known as the Secretary. The Department shall consist of two divisions as follows:

(1) The Division of Adult Correction, which shall consist of the former Division of Adult Correction of the Department of Public Safety. The head of the Division of Adult Correction shall be a chief deputy secretary, who shall be

responsible for prisons, community corrections, correction enterprises, alcoholism and chemical dependency treatment, offender records management, and extradition.

(2) The Division of Juvenile Justice, which shall consist of the former Division of Juvenile Justice of the Department of Public Safety. The head of the Division of Juvenile Justice shall be a chief deputy secretary, who shall be responsible for youth detention centers, court services, community programs, and youth development centers.

(b) The powers and duties of the deputy secretaries and the divisions and directions of the Department shall be subject to the direction and control of the Secretary of Adult Correction and Juvenile Justice.

"**§ 143B-1431. Powers and duties of the Secretary.**

It shall be the duty of the Secretary of the Department of Adult Correction and Juvenile Justice to do all of the following:

(1) To carry out the relevant provisions of Part 2 of this Article, Chapter 148 of the General Statutes, Chapter 15 of the General Statutes, Chapter 15A of the General Statutes, and other provisions of the General Statutes governing the provision of necessary custody, supervision, and treatment to control and rehabilitate criminal offenders and thereby reduce the rate and cost of crime and delinquency.

(2) To carry out the relevant provisions of Part 3 of this Article, Chapter 7B of the General Statutes, and other provisions of the General Statutes governing juvenile justice and the prevention of delinquent acts by juveniles.

(3) To adopt rules and procedures for the implementation of this Article.

"**§ 143B-1433. Personnel of the Department of Adult Correction and Juvenile Justice.**

Notwithstanding G.S. 114-2.3, the Secretary of Adult Correction and Juvenile Justice shall have the power to appoint all employees, including consultants and legal counsel, necessary to carry out the powers and duties of the office. Employees shall be subject to the North Carolina Human Resources Act, except employees in positions designated as exempt under G.S. 126-5(d)(1) are not subject to the Act.

"**§ 143B-1434. Definitions.**

Except where provided otherwise, the following definitions apply in this Chapter:

(1) Department. – The Department of Adult Correction and Juvenile Justice.

(2) Secretary. – The Secretary of Adult Correction and Juvenile Justice."

SECTION 16.1.(q) Recodification of Division of Adult Correction. – Subpart A of Part 2 of Article 13 of Chapter 143B of the General Statutes is recodified as Subpart A of Part 2 of Article 16 of Chapter 143B of the General Statutes and renumbered as G.S. 143B-1450 through G.S. 143B-1464. Subpart C of Part 2 of Article 13 of Chapter 143B of the General Statutes is recodified as Subpart B of Part 2 of Article 16 of Chapter 143B of the General Statutes and renumbered as G.S. 143B-1470 through G.S. 143B-1472.

SECTION 16.1.(r) Recodification of Division of Juvenile Justice. – Subpart A of Part 3 of Article 13 of Chapter 143B of the General Statutes is recodified as Subpart A of Part 3 of Article 16 of Chapter 143B of the General Statutes and renumbered as G.S. 143B-1475 through G.S. 143B-1476. Subpart B of Part 3 of Article 13 of Chapter 143B of the General Statutes is recodified as Subpart B of Part 3 of Article 16 of Chapter 143B of the General Statutes and renumbered as G.S. 143B-1480 through G.S. 143B-1486. Subpart C of Part 3 of Article 13 of Chapter 143B of the General Statutes is recodified as Subpart C of Part 3 of Article 16 of Chapter 143B of the General Statutes and renumbered as G.S. 143B-1490 through G.S. 143B-1497. Subpart D of Part 3 of Article 13 of Chapter 143B of the General Statutes is recodified as Subpart D of Part 3 of Article 16 of Chapter 143B of the General Statutes and renumbered as G.S. 143B-1500 through G.S. 143B-1501. Subpart E of Part 3 of Article 13 of

Chapter 143B of the General Statutes is recodified as Subpart E of Part 3 of Article 16 of Chapter 143B of the General Statutes and renumbered as G.S. 143B-1505. Subpart F of Part 3 of Article 13 of Chapter 143B of the General Statutes is recodified as Subpart F of Part 3 of Article 16 of Chapter 143B of the General Statutes and renumbered as G.S. 143B-1510 through G.S. 143B-1517.

SECTION 16.1.(s) Part 2 of Article 16 of Chapter 143B of the General Statutes, as recodified in subsection (q) of this section, reads as rewritten:

"Part 2. Division of Adult Correction.

"Subpart A. General Provisions.

"**§ 143B-1450. Division of Adult Correction ~~of the Department of Public Safety – creation.~~**

There is hereby created and established a division to be known as the Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice with the organization, powers, and duties hereafter defined in the Executive Organization Act of 1973.

"**§ 143B-1451. Division of Adult Correction ~~of the Department of Public Safety –~~ duties.**

It shall be the duty of the Division to provide the necessary custody, supervision, and treatment to control and rehabilitate criminal offenders and thereby to reduce the rate and cost of crime and delinquency.

"**§ 143B-1452. Division of Adult Correction ~~of the Department of Public Safety –~~ rules and regulations.**

The Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall adopt rules and regulations related to the conduct, supervision, rights and privileges of persons in its custody or under its supervision. Such rules and regulations shall be filed with and published by the office of the Attorney General and shall be made available by the Division for public inspection. The rules and regulations shall include a description of the organization of the Division. A description or copy of all forms and instructions used by the Division, except those relating solely to matters of internal management, shall also be filed with the office of the Attorney General.

"**§ 143B-1453. Repair or replacement of personal property.**

(a) The Secretary of ~~Public Safety~~ Adult Correction and Juvenile Justice may adopt rules governing repair or replacement of personal property items excluding private passenger vehicles that belong to employees of State facilities within the Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice and that are damaged or stolen by inmates of the State facilities provided that the item is determined by the Secretary to be damaged or stolen on or off facility grounds during the performance of employment and necessary for the employee to have in his possession to perform his assigned duty.

...

(e) The Secretary of ~~Public Safety~~ Adult Correction and Juvenile Justice shall establish by rule an appeals process consistent with Chapter 150B of the General Statutes.

"**§ 143B-1454. Division of Adult Correction ~~of the Department of Public Safety –~~ functions.**

(a) The functions of the Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall comprise, except as otherwise expressly provided by the Executive Organization Act of 1973 or by the Constitution of North Carolina, all functions of the executive branch of the State in relation to corrections and the rehabilitation of adult offenders, including detention, parole, and aftercare supervision, and further including those prescribed powers, duties, and functions enumerated in Article 14 of Chapter 143A of the General Statutes and other laws of this State.

(b) All such functions, powers, duties, and obligations heretofore vested in the Department of Social Rehabilitation and Control and any agency enumerated in Article 14 of Chapter 143A of the General Statutes and laws of this State are hereby transferred to and vested

in the Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice except as otherwise provided by the Executive Organization Act of 1973. They shall include, by way of extension and not of limitation, the functions of:

(1) The State Department of Correction and Commission of Correction,
(2) Repealed by Session Laws 1999-423, s. 8, effective July 1, 1999.
(3) The State Probation Commission,
(4) The State Board of Paroles,
(5) The Interstate Agreement on Detainers, and
(6) The Uniform Act for Out-of-State Parolee Supervision.

...

"§ 143B-1455. Division of Adult Correction ~~of the Department of Public Safety – Alcoholism and Chemical Dependency Treatment Program.~~

(a) The Program established by ~~G.S. 143B-704~~ G.S. 143B-1454 shall be offered in correctional facilities, or a portion of correctional facilities that are self-contained, so that the residential and program space is separate from any other programs or inmate housing, and shall be operational by January 1, 1988, at those facilities as the Secretary or the Secretary's designee may designate.

(b) A Section Chief for the Alcoholism and Chemical Dependency Treatment Program shall be employed and shall report directly to a deputy director for the Division of Adult Correction as designated by the Chief Deputy Secretary for the Division of Adult Correction. The duties of the Section Chief and staff shall include the following:

(1) Administer and coordinate all substance abuse programs, grants, contracts, and related functions in the Division of Adult Correction of the Department of ~~Public Safety.~~ Adult Correction and Juvenile Justice.
(2) Develop and maintain working relationships and agreements with agencies and organizations that will assist in developing and operating alcoholism and chemical dependency treatment and recovery programs in the Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.
(3) Develop and coordinate the use of volunteers in the Substance Abuse Program.
(4) Develop and present training programs related to alcoholism and chemical dependency for employees and others at all levels in the agency.
(5) Develop programs that provide effective treatment for inmates, probationers, and parolees with alcohol and chemical dependency problems.
(6) Maintain contact with key leaders in the alcoholism and chemical dependency field, the service structure of various community recovery programs, and active supporters of the Correction Program.
(7) Supervise directly the facility and district program managers, other specialized personnel, and programs that exist or may be developed in the Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

"§ 143B-1457. Reports to the General Assembly.

The Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall report by March 1 of each year to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees in Justice and Public Safety on their efforts to provide effective treatment to offenders with substance abuse problems. The report shall include:

(1) Details of any new initiatives and expansions or reduction of programs.
(2) Details on any treatment efforts conducted in conjunction with other departments.

(3) Utilization of the community-based programs at DART-Cherry and Black Mountain Substance Abuse Treatment Center for Women.

(4), (5) Repealed by Session Laws 2007-323, s. 17.3(a), effective July 1, 2007.

(6) Statistical information on the number of current inmates with substance abuse problems that require treatment, the number of treatment slots, the number who have completed treatment, and a comparison of available treatment slots to actual utilization rates. The report shall include this information for each DOC funded program.

(7) Evaluation of each substance abuse treatment program funded by the Division of Adult Correction of the Department of ~~Public Safety.~~ Adult Correction and Juvenile Justice. Evaluation measures shall include reduction in alcohol and drug dependency, improvements in disciplinary and infraction rates, recidivism (defined as return-to-prison rates), and other measures of the programs' success.

"§ 143B-1458. Report on probation and parole caseloads.

(a) The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall report by March 1 of each year to the Chairs of the House of Representatives and Senate Appropriations Subcommittees on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety on caseload averages for probation and parole officers. The report shall include:

(1) Data on current caseload averages and district averages for probation/parole officer positions.

(2) Data on current span of control for chief probation officers.

(3) An analysis of the optimal caseloads for these officer classifications.

(4) The number and role of paraprofessionals in supervising low-risk caseloads.

(5) The process of assigning offenders to an appropriate supervision level based on a riskeeds assessment.

(6) Data on cases supervised solely for the collection of court-ordered payments.

(b) The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall report by March 1 of each year to the Chairs of the House of Representatives and Senate Appropriations Subcommittees on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety on the following:

(1) The number of sex offenders enrolled on active and passive GPS monitoring.

(2) The caseloads of probation officers assigned to GPS-monitored sex offenders.

(3) The number of violations.

(4) The number of absconders.

(5) The projected number of offenders to be enrolled by the end of the fiscal year.

"§ 143B-1459. Mutual agreement parole program report; medical release program report.

(a) The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice and the Post-Release Supervision and Parole Commission shall report by March 1 of each year to the Chairs of the House of Representatives and Senate Appropriations Subcommittees on Justice and Public Safety and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on the number of inmates enrolled in the mutual agreement parole program, the number completing the program and being paroled, and the number who enrolled but were terminated from the program. The information should be based on the previous calendar year.

(b) The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice and the Post-Release Supervision and Parole Commission shall report by March 1 of each year to the Chairs of the House of Representatives Appropriations Subcommittee on Justice and Public

Safety, to the Chairs of the Senate Appropriations Committee on Justice and Public Safety, and to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on the number of inmates proposed for release, considered for release, and granted release under Article 84B of Chapter 15A of the General Statutes, providing for the medical release of inmates who are either permanently and totally disabled, terminally ill, or geriatric.

"**§ 143B-1460. Medical costs for inmates and juvenile offenders.**

(a) The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall reimburse those providers and facilities providing approved medical services to inmates and juvenile offenders outside the correctional or juvenile facility the lesser amount of either a rate of seventy percent (70%) of the provider's then-current prevailing charge or two times the then-current Medicaid rate for any given service. The Department shall have the right to audit any given provider to determine the actual prevailing charge to ensure compliance with this provision.

This section does apply to vendors providing services that are not billed on a fee-for-service basis, such as temporary staffing. Nothing in this section shall preclude the Department from contracting with a provider for services at rates that provide greater documentable cost avoidance for the State than do the rates contained in this section or at rates that are less favorable to the State but that will ensure the continued access to care.

(b) The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall make every effort to contain medical costs for inmates and juvenile offenders by making use of its own hospital and health care facilities to provide health care services to inmates and juvenile offenders. To the extent that the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice must utilize other facilities and services to provide health care services to inmates and juvenile offenders, the Department shall make reasonable efforts to make use of hospitals or other providers with which it has a contract or, if none is reasonably available, hospitals with available capacity or other health care facilities in a region to accomplish that goal. The Department shall make reasonable efforts to equitably distribute inmates and juvenile offenders among all hospitals or other appropriate health care facilities.

(c) The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall report quarterly to the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety on:

(1) The percentage of the total inmates and juvenile offenders requiring hospitalization or hospital services who receive that treatment at each hospital.

(2) through (4) Repealed by Session Laws 2016-94, s. 17C.2A, effective July 1, 2016.

(4a) The volume of scheduled and emergent services listed by hospital and, of that volume, the number of those services that are provided by contracted and noncontracted providers.

(4b) The volume of scheduled and emergent admissions listed by hospital and, of that volume, the percentage of those services that are provided by contracted and noncontracted providers.

(5) The volume of inpatient medical services provided to Medicaid-eligible inmates and juvenile offenders, the cost of treatment, the estimated savings of paying the nonfederal portion of Medicaid for the services, and the length of time between the date the claim was filed and the date the claim was paid.

(5a) The status of the implementation of the claims processing system and efforts to address the backlog of unpaid claims.

(6) The hospital utilization, including the amount paid to individual hospitals, the number of inmates and juvenile offenders served, the number of claims, and whether the hospital was a contracted or noncontracted facility.

(7) The total cost and volume for the previous fiscal quarter for emergency room visits originating from Central Prison and NCCIW Hospitals to UNC Hospitals, UNC Rex Healthcare, and WakeMed Hospital.

(8) The total payments for Medicaid and nonMedicaid eligible inmates to UNC Hospitals, UNC Rex Healthcare, and WakeMed Hospital, including the number of days between the date the claim was filed and the date the claim was paid.

(9) A list of hospitals under contract.

Reports submitted on August 1 shall include totals for the previous fiscal year for all the information requested.

~~(d) The Department of Public Safety shall study whether contracts to provide inmate health services can be expanded to additional hospitals. The Department shall report the findings of its study to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety no later than February 1, 2017. The report shall include a list of hospitals considered for expansion and reasons for or against expanding to each hospital.~~

"§ 143B-1461. Annual report on safekeepers.

The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall report by October 1 of each year to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on county prisoners housed in the State prison system pursuant to safekeeping orders under G.S. 162-39. The report shall include:

(1) The number of safekeepers currently housed by the Department.

(2) A list of the facilities where safekeepers are housed and the population of safekeepers by facility.

(3) The average length of stay by a safekeeper in one of those facilities.

(4) The amount paid by counties for housing and extraordinary medical care of safekeepers.

(5) A list of the counties in arrears for safekeeper payments owed to the Department at the end of the fiscal year.

"§ 143B-1462. Community service program.

(a) The Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice may conduct a community service program. The program shall provide oversight of offenders placed under the supervision of the Section of Community Corrections of the Division of Adult Correction and ordered to perform community service hours for criminal violations, including driving while impaired violations under G.S. 20-138.1. This program shall assign offenders, either on supervised or on unsupervised probation, to perform service to the local community in an effort to promote the offender's rehabilitation and to provide services that help restore or improve the community. The program shall provide appropriate work site placement for offenders ordered to perform community service hours. The Division may adopt rules to conduct the program. Each offender shall be required to comply with the rules adopted for the program.

(b) The Secretary of ~~Public Safety~~ Adult Correction and Juvenile Justice may assign one or more employees to each district court district as defined in G.S. 7A-133 to assure and report to the Court the offender's compliance with the requirements of the program. Each county shall provide office space in the courthouse or other convenient place, for the use of the employees assigned to that county.

...

"**§ 143B-1463. Security Staffing.**

(a) The Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall conduct:

(1) On-site postaudits of every prison at least once every three years;

(2) Regular audits of postaudit charts through the automated postaudit system; and

(3) Other staffing audits as necessary.

(b) The Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall update the security staffing relief formula at least every three years. Each update shall include a review of all annual training requirements for security staff to determine which of these requirements should be mandatory and the appropriate frequency of the training. The Division shall survey other states to determine which states use a vacancy factor in their staffing relief formulas.

"**§ 143B-1464. Division of Adult Correction ~~of the Department of Public Safety~~ – organization.**

The Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall be organized initially to include the Post-Release Supervision and Parole Commission, the Section of Prisons of the Division of Adult Correction, the Section of Community Corrections, the Section of Alcoholism and Chemical Dependency Treatment Programs, and such other divisions as may be established under the provisions of the Executive Organization Act of 1973.

"Subpart B. Parole Commission.

"**§ 143B-1470. Post-Release Supervision and Parole Commission – creation, powers, and duties.**

(a) There is hereby created a Post-Release Supervision and Parole Commission of the Division of Adult Correction of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice with the authority to grant paroles, including both regular and temporary paroles, to persons held by virtue of any final order or judgment of any court of this State as provided in Chapter 148 of the General Statutes and laws of the State of North Carolina, except that persons sentenced under Article 81B of Chapter 15A of the General Statutes are not eligible for parole but may be conditionally released into the custody and control of United States Immigration and Customs Enforcement pursuant to G.S. 148-64.1. The Commission shall also have authority to revoke, terminate, and suspend paroles of such persons (including persons placed on parole on or before the effective date of the Executive Organization Act of 1973) and to assist the Governor in exercising his authority in granting reprieves, commutations, and pardons, and shall perform such other services as may be required by the Governor in exercising his powers of executive clemency. The Commission shall also have authority to revoke and terminate persons on post-release supervision, as provided in Article 84A of Chapter 15A of the General Statutes. The Commission shall also have the authority to punish for criminal contempt for willful refusal to accept post-release supervision or to comply with the terms of post-release supervision by a prisoner whose offense requiring post-release supervision is a reportable conviction subject to the registration requirement of Article 27A of Chapter 14 of the General Statutes. Any contempt proceeding conducted by the Commission shall be in accordance with G.S. 5A-15 as if the Commission were a judicial official.

...

(c) The Commission is authorized and empowered to adopt such rules and regulations, not inconsistent with the laws of this State, in accordance with which prisoners eligible for parole consideration may have their cases reviewed and investigated and by which such proceedings may be initiated and considered. All rules and regulations heretofore adopted by the Board of Paroles shall remain in full force and effect unless and until repealed or superseded by action of the Post-Release Supervision and Parole Commission. All rules and

regulations adopted by the Commission shall be enforced by the Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

...

"§ 143B-1471. Post-Release Supervision and Parole Commission – members; selection; removal; chair; compensation; quorum; services.

...

(f) All clerical and other services required by the Commission shall be supplied by the Secretary of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

"§ 143B-1472. Parole eligibility reports.

(a) Each fiscal year the Post-Release Supervision and Parole Commission shall, with the assistance of the North Carolina Sentencing and Policy Advisory Commission and the Department of ~~Public Safety,~~ Adult Correction and Juvenile Justice, analyze the amount of time each inmate who is eligible for parole on or before July 1 of the previous fiscal year has served compared to the time served by offenders under Structured Sentencing for comparable crimes. The Commission shall determine if the person has served more time in custody than the person would have served if sentenced to the maximum sentence under the provisions of Article 81B of Chapter 15A of the General Statutes. The "maximum sentence", for the purposes of this section, shall be calculated as set forth in subsection (b) of this section.

...."

SECTION 16.1.(t) Part 3 of Article 16 of Chapter 143B of General Statutes as recodified in subsection (r) of this section reads as rewritten:

"Part 3. Division of Juvenile Justice.

"Subpart A. Creation of Division.

"§ 143B-1475. Creation of the Division of Juvenile Justice of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

There is hereby created and constituted a division to be known as the "Division of Juvenile Justice of the Department of ~~Public Safety",~~ Adult Correction and Juvenile Justice," with the organization, powers, and duties defined in ~~Article 1~~ Part 1 of Article 16 of this Chapter, except as modified in this ~~Part.~~Subpart.

~~"§ 143B-1476. Transfer of Office of Juvenile Justice authority to the Division of Juvenile Justice of the Department of Public Safety.~~

~~(a) All (i) statutory authority, powers, duties, and functions, including directives of S.L. 1998-202, rule making, budgeting, and purchasing, (ii) records, (iii) personnel, personnel positions, and salaries, (iv) property, and (v) unexpended balances of appropriations, allocations, reserves, support costs, and other funds of the Office of Juvenile Justice under the Office of the Governor are transferred to and vested in the Division of Juvenile Justice of the Department of Public Safety. This transfer has all of the elements of a Type I transfer as defined in G.S. 143A-6.~~

~~(b) The Division shall be considered a continuation of the Office of Juvenile Justice for the purpose of succession to all rights, powers, duties, and obligations of the Office and of those rights, powers, duties, and obligations exercised by the Office of the Governor on behalf of the Office of Juvenile Justice. Where the Office of Juvenile Justice is referred to by law, contract, or other document, that reference shall apply to the Division. Where the Office of the Governor is referred to by contract or other document, where the Office of the Governor is acting on behalf of the Office of Juvenile Justice, that reference shall apply to the Division.~~

~~(c) All institutions previously operated by the Office of Juvenile Justice and the present central office of the Office of Juvenile Justice, including land, buildings, equipment, supplies, personnel, or other properties rented or controlled by the Office or by the Office of the Governor for the Office of Juvenile Justice, shall be administered by the Division of Juvenile Justice of the Department of Public Safety.~~

"Subpart B. General Provisions.

"**§ 143B-1480. Definitions.**

In this Part, unless the context clearly requires otherwise, the following words have the listed meanings:

(1) Chief court counselor. – The person responsible for administration and supervision of juvenile intake, probation, and post-release supervision in each judicial district, operating under the supervision of the Division of Juvenile Justice of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

...

(10) Division. – The Division of Juvenile Justice of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

...

(19) Secretary. – ~~The Secretary of Public Safety.~~As defined in G.S. 143B-1434(2).

...

"**§ 143B-1481. Duties and powers of the Division of Juvenile ~~Justice of the Department of Public Safety.~~Justice.**

(a) Repealed by Session Laws 2013-289, s. 5, effective July 18, 2013.

(b) The Secretary shall have the following powers and duties and may delegate those powers and duties to the appropriate deputy secretary, commissioner, or director within the Department of ~~Public Safety:~~Adult Correction and Juvenile Justice:

...

(c) Except as otherwise specifically provided in this Part and in Article 1 of this Chapter, the Secretary of ~~Public Safety~~ Adult Correction and Juvenile Justice shall prescribe the functions, powers, duties, and obligations of every agency or section in the Division.

...

"**§ 143B-1484. Teen court programs.**

(a) All teen court programs administered by the Division of Juvenile Justice of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall operate as community resources for the diversion of juveniles pursuant to G.S. 7B-1706(c). A juvenile diverted to a teen court program shall be tried by a jury of other juveniles, and, if the jury finds the juvenile has committed the delinquent act, the jury may assign the juvenile to a rehabilitative measure or sanction, including counseling, restitution, curfews, and community service.

Teen court programs may also operate as resources to the local school administrative units to handle problems that develop at school but that have not been turned over to the juvenile authorities.

(b) Every teen court program that receives funds from Juvenile Crime Prevention Councils shall comply with rules and reporting requirements of the Division of Juvenile Justice of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

"**§ 143B-1485. Youth Development Center annual report.**

The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall report by October 1 of each year to the Chairs of the House of Representatives and Senate Appropriations Subcommittees on Justice and Public Safety, the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety, and the Fiscal Research Division of the Legislative Services Commission on the Youth Development Center (YDC) population, staffing, and capacity in the preceding fiscal year. Specifically, the report shall include all of the following:

(1) The on-campus population of each YDC, including the county the juveniles are from.

(2) The housing capacity of each YDC.

(3) A breakdown of staffing for each YDC, including number, type of position, position title, and position description.
(4) The per-bed and average daily population cost for each facility.
(5) The operating cost for each facility, including personnel and nonpersonnel items.
(6) A brief summary of the treatment model, education, services, and plans for reintegration into the community offered at each facility.
(7) The average length of stay in the YDCs.
(8) The number of incidents of assaults and attacks on staff at each facility.

"§ 143B-1486. Annual evaluation of community programs and multiple purpose group homes.

The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall conduct an annual evaluation of the community programs and of multipurpose group homes. In conducting the evaluation of each of these, the Department shall consider whether participation in each program results in a reduction of court involvement among juveniles. The Department shall also determine whether the programs are achieving the goals and objectives of the Juvenile Justice Reform Act, S.L. 1998-202.

The Department shall report the results of the evaluation to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety by March 1 of each year.

"Subpart C. Juvenile Facilities.

...

"§ 143B-1497. Juvenile facility monthly commitment report.

The Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall report electronically on the first day of each month to the Fiscal Research Division regarding each juvenile correctional facility and the average daily population for the previous month. The report shall include (i) the average daily population for each detention center and (ii) the monthly summary of the Committed Youth Report.

"Subpart D. Juvenile Court Services.

...

"Subpart F. Juvenile Crime Prevention Councils.

...

"§ 143B-1517. Department of ~~Public Safety~~ Adult Correction and Juvenile Justice to report on Juvenile Crime Prevention Council grants.

(a) On or before February 1 of each year, the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall submit to the Chairs of the Joint Legislative Commission on Governmental Operations and the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety a list of the recipients of the grants awarded, or preapproved for award, from funds appropriated to the Department for local Juvenile Crime Prevention Council (JCPC) grants, including the following information:
(1) The amount of the grant awarded.
(2) The membership of the local committee or council administering the award funds on the local level.
(3) The type of program funded.
(4) A short description of the local services, programs, or projects that will receive funds.
(5) Identification of any programs that received grant funds at one time but for which funding has been eliminated by the Department.
(6) The number of at-risk, diverted, and adjudicated juveniles served by each county.

(7) The Department's actions to ensure that county JCPCs prioritize funding for dispositions of intermediate and community-level sanctions for court-adjudicated juveniles under minimum standards adopted by the Department.

(8) The total cost for each funded program, including the cost per juvenile and the essential elements of the program.

(b) On or before February 1 of each year, the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice. shall send to the Fiscal Research Division of the Legislative Services Commission an electronic copy of the list and information required under subsection (a) of this section."

CONFORMING CHANGES

SECTION 16.1.(u) G.S. 143B-1104 is recodified as G.S. 143B-1435.

SECTION 16.1.(v) G.S. 143B-1435, as recodified in subsection (u) of this section, reads as rewritten:

"**§ 143B-1435. Funding for programs.**

(a) Annually, the ~~Division of Administration~~ Department shall develop and implement a funding mechanism for programs that meet the standards developed under Subpart F of Part 3 of Article ~~13~~16 of Chapter 143B of the General Statutes. The ~~Division~~ Department shall ensure that the guidelines for the State and local partnership's funding process include the following requirements:

(1) Fund effective programs. – The ~~Division~~ Department shall fund programs that it determines to be effective in preventing delinquency and recidivism. Programs that have proven to be ineffective shall not be funded.

...

(b) The ~~Division~~ Department shall adopt rules to implement this section. The ~~Division~~ Department shall provide technical assistance to County Councils and shall require them to evaluate all State-funded programs and services on an ongoing and regular basis.

(c) The Division of Juvenile Justice of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall report to the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety no later than March 1, 2006, and annually thereafter, on the results of the alternatives to commitment demonstration programs funded by Section 16.7 of S.L. 2004-124. The 2007 report and all annual reports thereafter shall also include projects funded by Section 16.11 of S.L. 2005-276 for the 2005-2006 fiscal year. Specifically, the report shall provide a detailed description of each of the demonstration programs, including the numbers of juveniles served, their adjudication status at the time of service, the services/treatments provided, the length of service, the total cost per juvenile, and the six- and 12-month recidivism rates for the juveniles after the termination of program services."

SECTION 16.1.(w) Subdivisions (11) through (12) of G.S. 143B-601 are repealed.

SECTION 16.1.(x) The following statutes are amended by deleting the phrase "Public Safety" wherever it appears and substituting the phrase "Adult Correction and Juvenile Justice": G.S. 1-110(b), 7A-109.3, 7A-302, 7A-313, 7A-451(e1), 7A-474.3(c)(4), 7A-474.18(c), 7A-498.3(a), 7B-2204, 7B-2517, 7B-3000(b)(5), 7B-3001(d), 7B-3001(a), 7B-4002, 14-202(m)(2), 14-208.6(2), 14-208.20(b), 14-208.22(c), 14-208.40(a), 14-208.43(d1), 14-208.45(a), 14-239, 14-258.1, 14-258.3, 14-258.4(a), 14-269(b)(9), 14-316.1, 14-415.10, 15-6.1, 15-10.1, 15-10.2, 15-10.3, 15-188, 15-194(a), 15-196.3, 15-203, 15-204, 15-205, 15-206, 15-207, 15-209, 15A-145(c), 15A-145.1(b), 15A-146(b), 15A-147, 15A-149(b), 15A-534(a), 15A-534.1(a)(2), 15A-544.3(b), 15A-544.5(b)(6), 15A-615(c), 15A-821(a), 15A-830(a), 15A-832(g), 15A-1332(c), 15A-1340.13(d), 15A-1340.16(d), 15A-1340.18(b), 15A-1340.20(d), 15A-1340.36, 15A-1342(a1), 15A-1343, 15A-1343.2, 15A-1343.3,

15A-1344, 15A-1351(a), 15A-1352, 15A-1353(f), 15A-1354(b), 15A-1355, 15A-1368(a)(2), 15A-1368.2, 15A-1368.3(c)(3), 15A-1368.4, 15A-1368.6, 15A-1369, 15A-1371, 15A-1374(b), 15A-1376, 15A-2000(e)(8), 15B-21(8), 15B-21(9), 15B-31, 15B-32(a), 20-19(e2), 20-28(a1), 20-81.12(b38), 20-179, 50-13.2(b2), 65-4, 66-25(b), 66-58, 108A-14(a)(9), 114-12.1(b), 115C-106.3(11), 105C-107.6, 115C-108.1, 115C-296.2(b)(1), 115C-325(p), 115C-325.10, 115D-1, 115D-5(b)(2), 122C-22(a)(10), 122-55(c), 122C-62(b)(4), 122C-113(b1), 122C-117(a), 122C-312, 122C-313, 122C-402, 122C-421(b), 126-5(c3), 127A-54(c), 130A-25(b), 131E-98, 131E-184(d), 131E-214.1(3), 143-63.1(d), 143-138(g), 143-166.2(d), 143-166.13(a)(2), 143-166.13(a)(4), 143-166.13(a)(9), 143-166.13(b)(2), 143-300.7, 143-599, 143B-152.14, 143B-153(2), 143B-179(a)(1), 143B-1391(b)(1), 146-33, 147-12(b), 148-2, 148-3, 148-4, 148-4.1, 148-5, 148-6, 148-10, 148-10.1, 148-10.2, 148-10.3, 148-10.4(a), 148-10.5, 148-11(b), 148-12(a), 148-13, 148-18.1, 148-19, 148-19.1, 148-19.2, 148-20, 148-22, 148-22.1, 148-23, 148-23.1, 148-23.2, 148-24, 148-25, 148-26, 148-26.5, 148-28, 148-29, 148-32.1, 148-32.2, 148-33, 148-33.1, 148-33.2, 148-36, 148-37, 148-37.3(a), 148-40, 148-41, 148-45, 148-46, 148-46.1, 148-46.2, 148-53, 148-54, 148-57, 148-59, 148-64, 148-64.1, 148-65.7(a), 148-65.9, 148-66, 148-67, 148-70, 148-74, 148-78, 148-118.1, 148-118.2(a), 148-118.4, 148-118.5, 148-118.6, 148-118.8, 148-118.9, 148-121, 148-22, 148-128, 153A-221(b), 153A-221.1, 153A-230.1(2), 153A-230.2(b), 153A-230.3, 153A-230.5(b), 162-39, 163-82.20A, 164-40, 164-43. Nothing in this subsection shall be construed to require deletion or substitution of the phrase "public safety".

SECTION 16.1.(y) G.S. 7B-4002 reads as rewritten:

"**§ 7B-4002. Implementation of the Compact.**

(a) The North Carolina State Council for Interstate Juvenile Supervision is hereby established. The Secretary of ~~Public Safety,~~ Adult Correction and Juvenile Justice, or the Secretary's designee, shall serve as the Compact Administrator for the State of North Carolina and as North Carolina's Commissioner to the Interstate Commission. The Secretary of ~~Public Safety,~~ Adult Correction and Juvenile Justice, or the Secretary's designee, is a member of the State Council and serves as chairperson of the State Council. In addition to the chairperson, the State Council shall consist of 10 members as follows:

(1) One member representing the executive branch, to be appointed by the Governor;
(2) One member from a victim's assistance group, to be appointed by the Governor;
(3) One at-large member, to be appointed by the Governor;
(4) One member of the Senate, to be appointed by the President Pro Tempore of the Senate;
(5) One member of the House of Representatives, to be appointed by the Speaker of the House of Representatives;
(6) A district court judge, to be appointed by the Chief Justice of the Supreme Court; and
(7) Four members representing the juvenile court counselors, to be appointed by the Secretary of ~~Public Safety.~~ Adult Correction and Juvenile Justice.

...

(e) The State Council shall act in an advisory capacity to the Secretary of ~~Public Safety~~ Adult Correction and Juvenile Justice concerning this State's participation in Interstate Commission activities and other duties as may be determined by each member state, including recommendations for policy concerning the operations and procedures of the Compact within this State.

...."

SECTION 16.1.(z) G.S. 7B-1501 reads as rewritten:

"**§ 7B-1501. Definitions.**

In this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings. The singular includes the plural, unless otherwise specified.

(1) Chief court counselor. – The person responsible for administration and supervision of juvenile intake, probation, and post-release supervision in each judicial district, operating under the supervision of the Division of Juvenile Justice of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

...

(10a) Division. – The Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice created under Article ~~12~~ 16 of Chapter 143B of the General Statutes.

...."

SECTION 16.1.(aa) G.S. 15-10.2 reads as rewritten:

"**§ 15-10.2. Mandatory disposition of detainers – request for final disposition of charges; continuance; information to be furnished prisoner.**

(a) Any prisoner serving a sentence or sentences within the State prison system who, during his term of imprisonment, shall have lodged against him a detainer to answer to any criminal charge pending against him in any court within the State, shall be brought to trial within eight months after he shall have caused to be sent to the district attorney of the court in which said criminal charge is pending, by registered mail, written notice of his place of confinement and request for a final disposition of the criminal charge against him; said request shall be accompanied by a certificate from the Secretary of ~~Public Safety~~Adult Correction and Juvenile Justice stating the term of the sentence or sentences under which the prisoner is being held, the date he was received, and the time remaining to be served; provided that, for good cause shown in open court, the prisoner or his counsel being present, the court may grant any necessary and reasonable continuance.

(b) The Secretary of ~~Public Safety~~ Adult Correction and Juvenile Justice shall, upon request by the prisoner, inform the prisoner in writing of the source and contents of any charge for which a detainer shall have been lodged against such prisoner as shown by said detainer, and furnished the prisoner with the certificate referred to in subsection (a)."

SECTION 16.1.(bb) G.S. 17C-3(a) reads as rewritten:

"(a) There is established the North Carolina Criminal Justice Education and Training Standards Commission, hereinafter called "the Commission." The Commission shall be composed of 31 members as follows:

...

(6) Adult Correction and Juvenile Justice. – Four correctional officers in management positions employed by ~~the Division of Adult Correction and Juvenile Justice of~~ the Department of ~~Public Safety~~Adult Correction and Juvenile Justice shall be appointed, two from the Section of Community Corrections upon the recommendation of the Speaker of the House of Representatives and two from the Section of Prisons upon the recommendation of the President Pro Tempore of the Senate. Appointments by the General Assembly shall be made in accordance with G.S. 120-122. Appointments by the General Assembly shall serve two-year terms to conclude on June 30th in odd-numbered years or until the appointee no longer serves in a management position with the ~~Division of Adult Correction,~~Department of Adult Correction and Juvenile Justice, whichever occurs first. The Governor shall appoint one correctional officer employed by the Division of Adult Correction ~~of the Department of Public Safety~~ and assigned to the Office of Staff Development and Training, and one juvenile justice officer employed by the ~~Section~~ Division of Juvenile Justice. The

Governor's appointments shall serve three-year terms or until the appointee is no longer assigned to the Office of Staff Development and Training or is no longer a juvenile justice officer, whichever occurs first."

SECTION 16.1.(cc) G.S. 97-13(c) reads as rewritten:

"(c) Prisoners. – This Article shall not apply to prisoners being worked by the State or any subdivision thereof, except to the following extent: Whenever any prisoner assigned to the Division of Adult Correction of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice shall suffer accidental injury or accidental death arising out of and in the course of the employment to which he had been assigned, if there be death or if the results of such injury continue until after the date of the lawful discharge of such prisoner to such an extent as to amount to a disability as defined in this Article, then such discharged prisoner or the dependents or next of kin of such discharged prisoner may have the benefit of this Article by applying to the Industrial Commission as any other employee; provided, such application is made within 12 months from the date of the discharge; and provided further that the maximum compensation to any prisoner or to the dependents or next of kin of any deceased prisoner shall not exceed thirty dollars ($30.00) per week and the period of compensation shall relate to the date of his discharge rather than the date of the accident. If any person who has been awarded compensation under the provisions of this subsection shall be recommitted to prison upon conviction of an offense committed subsequent to the award, such compensation shall immediately cease. Any awards made under the terms of this subsection shall be paid by the Department of ~~Public Safety~~Adult Correction and Juvenile Justice from the funds available for the operation of the Division of Adult ~~Correction of the Department of Public Safety.~~Correction. The provisions of G.S. 97-10.1 and 97-10.2 shall apply to prisoners and discharged prisoners entitled to compensation under this subsection and to the State in the same manner as said section applies to employees and employers."

SECTION 16.1.(dd) G.S. 105-259(b) reads as rewritten:

"(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has access to tax information in the course of service to or employment by the State may not disclose the information to any other person except as provided in this subsection. Standards used or to be used for the selection of returns for examination and data used or to be used for determining the standards may not be disclosed for any purpose. All other tax information may be disclosed only if the disclosure is made for one of the following purposes:

...

(15) To exchange information concerning a tax imposed by Articles 2A, 2C, or 2D of this Chapter with one of the following agencies when the information is needed to fulfill a duty imposed on the Department or the agency:

a. The North Carolina Alcoholic Beverage Control Commission.
b. The Alcohol Law Enforcement Branch of the Department of Public Safety.
c. The Bureau of Alcohol, Tobacco, and Firearms of the United States Department of Justice.
d. Law enforcement agencies.
e. The Section of Community Corrections of the Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

...."

SECTION 16.1.(ee) G.S. 115C-108.2 reads as rewritten:

"**§ 115C-108.2. Interlocal cooperation.**

The Board, any two or more local educational agencies, and any other agency and any State department, agency, or division having responsibility for the education, treatment, or habilitation of children with disabilities may enter into interlocal cooperative undertakings

under Part 1 of Article 20 of Chapter 160A of the General Statutes or into undertakings with a State agency such as the Departments of Public Instruction, Health and Human Services, ~~Juvenile Justice and Delinquency Prevention, or Correction,~~or Adult Correction and Juvenile Justice, or their divisions, agencies, or units, for the purpose of providing for the special education and related services, treatment, or habilitation of these children within the jurisdiction of the agency or unit, and shall do so when it is unable to provide the appropriate public special education or related services for these children. In entering into such undertakings, the local agency and State department, agency, or division shall also contract to provide the special education or related services that are educationally appropriate to the children with disabilities for whose benefit the undertaking is made and provide these services by or in the local agency unit or State department, agency, or division located in the place most convenient to these children."

SECTION 16.1.(ff) G.S. 115C-250(a) reads as rewritten:

"(a) The State Board of Education and local boards of education may expend public funds for transportation of children with disabilities who are unable because of their disability to ride the regular school buses and who have been placed in programs by a local school board as a part of its duty to provide these children with a free appropriate education under Article 9 of this Chapter. At the option of the local board of education with the concurrence of the State Board of Education, funds appropriated to the State Board of Education for contract transportation of children with disabilities may be used to purchase buses and minibuses as well as for the purposes authorized in the budget. The State Board of Education shall adopt rules concerning the construction and equipment of these buses and minibuses.

The ~~Departments~~ Department of Health and Human ~~Services, Juvenile Justice and Delinquency Prevention, and Correction~~ Services and the Department of Adult Correction and Juvenile Justice may also expend public funds for transportation of children with disabilities who are unable because of their disability to ride the regular school buses and who have been placed in programs by one of these agencies as a part of that agency's duty to provide these children with a free appropriate public education under Article 9 of this Chapter.

If a local area mental health center places a child with a disability in an educational program, the local area mental health center shall pay for the transportation of the child who is unable due to the disability to ride the regular school buses to the program."

SECTION 16.1.(gg) G.S. 120-70.94 reads as rewritten:

"**§ 120-70.94. Purpose and powers of Committee.**

(a) The Joint Legislative Oversight Committee on Justice and Public Safety shall examine, on a continuing basis, the correctional, law enforcement, and juvenile justice systems in North Carolina, in order to make ongoing recommendations to the General Assembly on ways to improve those systems and to assist those systems in realizing their objectives of protecting the public and of punishing and rehabilitating offenders. In this examination, the Committee shall:

...

(2) Examine the effectiveness of the Division of Adult Correction of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice in implementing the public policy stated in G.S. 148-26 of providing work assignments and employment for inmates as a means of reducing the cost of maintaining the inmate population while enabling inmates to acquire or retain skills and work habits needed to secure honest employment after their release.

...

(2b) Examine the effectiveness of the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice in implementing the duties and responsibilities charged to the Division in Part

3 of Article ~~13~~ 16 of Chapter 143B of the General Statutes and the overall effectiveness and efficiency of the juvenile justice system in the State.

...

(10) Study the needs of juveniles. This study may include, but is not limited to:

a. Determining the adequacy and appropriateness of services:

1. To children and youth receiving child welfare services;
2. To children and youth in the juvenile court system;
3. Provided by the Division of Social Services of the Department of Health and Human Services and the Division of Juvenile Justice of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice;

...."

SECTION 16.1.(hh) The title of Part 10 of Article 5 of Chapter 122C of the General Statutes reads as rewritten:

"Part 10. Voluntary Admissions, Involuntary Commitments and Discharges, Inmates and Parolees, Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice."

SECTION 16.1.(ii) G.S. 143B-935 reads as rewritten:

"**§ 143B-935. Criminal history record checks of employees of and applicants for employment with the Department of Health and Human Services, and the Division of Juvenile Justice of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.**

(a) Definitions. – As used in this section, the term:

(1) "Covered person" means any of the following:

a. An applicant for employment or a current employee in a position in the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice who provides direct care for a client, patient, student, resident or ward of the Division.

b. A person who supervises positions in the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice providing direct care for a client, patient, student, resident or ward of the Division.

...

f. An independent contractor or an employee of an independent contractor who has contracted with the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice to provide direct care for a client, patient, student, resident, or ward of the Division.

g. A person who has been approved to perform volunteer services in or for the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice to provide direct care for a client, patient, student, resident, or ward of the Division.

(2) "Criminal history" means a State or federal history of conviction of a crime, whether a misdemeanor or felony, that bears upon a covered person's fitness for employment in the Department of Health and Human Services or the Division of Juvenile Justice of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice. The crimes include, but are not limited to, criminal offenses as set forth in any of the following Articles of Chapter 14 of the General Statutes: Article 5, Counterfeiting and Issuing Monetary Substitutes; Article 5A, Endangering Executive and Legislative Officers; Article 6, Homicide; Article 7B, Rape and Other Sex Offenses; Article 8,

Assaults; Article 10, Kidnapping and Abduction; Article 13, Malicious Injury or Damage by Use of Explosive or Incendiary Device or Material; Article 14, Burglary and Other Housebreakings; Article 15, Arson and Other Burnings; Article 16, Larceny; Article 17, Robbery; Article 18, Embezzlement; Article 19, False Pretenses and Cheats; Article 19A, Obtaining Property or Services by False or Fraudulent Use of Credit Device or Other Means; Article 19B, Financial Transaction Card Crime Act; Article 20, Frauds; Article 21, Forgery; Article 26, Offenses Against Public Morality and Decency; Article 26A, Adult Establishments; Article 27, Prostitution; Article 28, Perjury; Article 29, Bribery; Article 31, Misconduct in Public Office; Article 35, Offenses Against the Public Peace; Article 36A, Riots, Civil Disorders, and Emergencies; Article 39, Protection of Minors; Article 40, Protection of the Family; Article 59, Public Intoxication; and Article 60, Computer-Related Crime. The crimes also include possession or sale of drugs in violation of the North Carolina Controlled Substances Act, Article 5 of Chapter 90 of the General Statutes, and alcohol-related offenses such as sale to underage persons in violation of G.S. 18B-302, or driving while impaired in violation of G.S. 20-138.1 through G.S. 20-138.5.

(b) When requested by the Department of Health and Human Services or the Division of Juvenile Justice of the Department of ~~Public Safety,~~Adult Correction and Juvenile Justice, the North Carolina Department of Public Safety may provide to the requesting department or division a covered person's criminal history from the State Repository of Criminal Histories. Such requests shall not be due to a person's age, sex, race, color, national origin, religion, creed, political affiliation, or handicapping condition as defined by G.S. 168A-3. For requests for a State criminal history record check only, the requesting department or division shall provide to the Department of Public Safety a form consenting to the check signed by the covered person to be checked and any additional information required by the Department of Public Safety. National criminal record checks are authorized for covered applicants who have not resided in the State of North Carolina during the past five years. For national checks the Department of Health and Human Services or the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice shall provide to the North Carolina Department of Public Safety the fingerprints of the covered person to be checked, any additional information required by the Department of Public Safety, and a form signed by the covered person to be checked consenting to the check of the criminal record and to the use of fingerprints and other identifying information required by the State or National Repositories. The fingerprints of the individual shall be forwarded to the State Bureau of Investigation for a search of the State criminal history record file and the State Bureau of Investigation shall forward a set of fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The Department of Health and Human Services and the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice shall keep all information pursuant to this section confidential. The Department of Public Safety shall charge a reasonable fee for conducting the checks of the criminal history records authorized by this section.

(c) All releases of criminal history information to the Department of Health and Human Services or the Division of Juvenile Justice of the Department of ~~Public Safety~~ Adult Correction and Juvenile Justice shall be subject to, and in compliance with, rules governing the dissemination of criminal history record checks as adopted by the North Carolina Department of Public Safety. All of the information either department receives through the checking of the criminal history is privileged information and for the exclusive use of that department.

(d) If the covered person's verified criminal history record check reveals one or more convictions covered under subsection (a) of this section, then the conviction shall constitute just cause for not selecting the person for employment, or for dismissing the person from current

employment with the Department of Health and Human Services or the Division of Juvenile Justice of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice. The conviction shall not automatically prohibit employment; however, the following factors shall be considered by the Department of Health and Human Services or the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice in determining whether employment shall be denied:

(1) The level and seriousness of the crime;
(2) The date of the crime;
(3) The age of the person at the time of the conviction;
(4) The circumstances surrounding the commission of the crime, if known;
(5) The nexus between the criminal conduct of the person and job duties of the person;
(6) The prison, jail, probation, parole, rehabilitation, and employment records of the person since the date the crime was committed; and
(7) The subsequent commission by the person of a crime listed in subsection (a) of this section.

(e) The Department of Health and Human Services and the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice may deny employment to or dismiss a covered person who refuses to consent to a criminal history record check or use of fingerprints or other identifying information required by the State or National Repositories of Criminal Histories. Any such refusal shall constitute just cause for the employment denial or the dismissal from employment.

(f) The Department of Health and Human Services and the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice may extend a conditional offer of employment pending the results of a criminal history record check authorized by this section."

SECTION 16.1.(jj) G.S. 143B-1100 reads as rewritten:

"**§ 143B-1100. Governor's Crime Commission – creation; composition; terms; meetings, etc.**

(a) There is hereby created the Governor's Crime Commission of the Department of Public Safety. The Commission shall consist of 37 voting members and five nonvoting members. The composition of the Commission shall be as follows:

(1) The voting members shall be:
a. The Governor, the Chief Justice of the Supreme Court of North Carolina (or the Chief Justice's designee), the Attorney General, the Director of the Administrative Office of the Courts, the Secretary of the Department of Health and Human Services, the Secretary of Public Safety (or the Secretary's designee), and the Superintendent of Public Instruction;
b. A judge of superior court, a judge of district court specializing in juvenile matters, a chief district court judge, a clerk of superior court, and a district attorney;
c. A defense attorney, three sheriffs (one of whom shall be from a "high crime area"), three police executives (one of whom shall be from a "high crime area"), eight citizens (two with knowledge of juvenile delinquency and the public school system, two of whom shall be under the age of 21 at the time of their appointment, one advocate for victims of all crimes, one representative from a domestic violence or sexual assault program, one representative of a "private juvenile delinquency program," and one in the discretion of the Governor),

three county commissioners or county officials, and three mayors or municipal officials;

d. Four public members.

(2) The nonvoting members shall be the Director of the State Bureau of Investigation, the Deputy ~~Director~~ Secretary of the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice who is responsible for Intervention/Prevention programs, the Deputy ~~Director~~ Secretary of the Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice who is responsible for Youth Development programs, the Section Chief of the Section of Prisons of the Division of Adult Correction and the Section Chief of the Section of Community Corrections of the Division of Adult Correction.

(b) The membership of the Commission shall be selected as follows:

(1) The following members shall serve by virtue of their office: the Governor, the Chief Justice of the Supreme Court, the Attorney General, the Director of the Administrative Office of the Courts, the Secretary of the Department of Health and Human Services, the Secretary of Public Safety, the Director of the State Bureau of Investigation, the Section Chief of the Section of Prisons of the Division of Adult Correction, the Section Chief of the Section of Community Corrections of the Division of Adult Correction, the Deputy ~~Director~~ Secretary who is responsible for Intervention/Prevention of the Division of Juvenile Justice of the Department of ~~Public Safety,~~Adult Correction and Juvenile Justice, the Deputy ~~Director~~ Secretary who is responsible for Youth Development of the Division of Juvenile Justice of the Department of ~~Public Safety,~~Adult Correction and Juvenile Justice, and the Superintendent of Public Instruction. Should the Chief Justice of the Supreme Court choose not to serve, his alternate shall be selected by the Governor from a list submitted by the Chief Justice which list must contain no less than three nominees from the membership of the Supreme Court.

...."

SECTION 16.1.(kk) G.S. 143B-1104(c) reads as rewritten:

"(c) The Division of Juvenile Justice of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice shall report to the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety no later than March 1, 2006, and annually thereafter, on the results of the alternatives to commitment demonstration programs funded by Section 16.7 of S.L. 2004-124. The 2007 report and all annual reports thereafter shall also include projects funded by Section 16.11 of S.L. 2005-276 for the 2005-2006 fiscal year. Specifically, the report shall provide a detailed description of each of the demonstration programs, including the numbers of juveniles served, their adjudication status at the time of service, the services/treatments provided, the length of service, the total cost per juvenile, and the six- and 12-month recidivism rates for the juveniles after the termination of program services."

SECTION 16.1.(*ll*) G.S. 143B-1155 reads as rewritten:

"**§ 143B-1155. Duties of Division of Adult Correction.**

...

(c) The Department of ~~Public Safety,~~Adult Correction and Juvenile Justice, Community Corrections Section, shall report by March 1 of each year to the Chairs of the Senate and House of Representatives Appropriations Subcommittees on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety on the status of the programs funded through the Treatment for Effective Community Supervision Program. The report shall include the following information from each of the following components:

...

(5) Intensive Outpatient Services. – If the Department enters into a contract for Intensive Outpatient Services, the Department of ~~Public Safety~~Adult Correction and Juvenile Justice shall report in the next fiscal year on this service including the following:

a. The target population.
b. The amount of funds contracted for and expended each fiscal year.
c. The supervision type.
d. The risk level of the offenders served.
e. The number of successful and unsuccessful core service exits with a breakdown of reasons for unsuccessful exits.
f. The demographics of the population served.
g. Supervision outcomes, including completion, revocation, and termination."

SECTION 16.1.(mm) G.S. 143B-1391(b)(1) reads as rewritten:

"(b) The Board shall consist of 21 members, appointed as follows:

(1) Five members appointed by the Governor, including one member who is a director or employee of a State correction agency for a term to begin September 1, 1996 and to expire on June 30, 1997, one member who is an employee of the North Carolina Department of Public Safety for a term beginning September 1, 1996 and to expire on June 30, 1997, one member selected from the North Carolina Association of Chiefs of Police for a term to begin September 1, 1996 and to expire on June 30, 1999, one member who is an employee of the Division of Juvenile Justice of the Department of ~~Public Safety,~~Adult Correction and Juvenile Justice, and one member who represents the Division of Motor Vehicles."

SECTION 16.1.(nn) G.S. 148-18(a) reads as rewritten:

"(a) Prisoners employed by Correction Enterprises shall be compensated as set forth in Article 14 of this Chapter. Prisoners participating in work assignments established by the Section of Prisons of the Division of Adult Correction shall be compensated at rates fixed by the Division of Adult Correction of the Department of ~~Public Safety's~~Adult Correction and Juvenile Justice's rules and regulations; provided, that no prisoner so paid shall receive more than one dollar ($1.00) per day, unless the Secretary determines that the work assignment requires special skills or training. Upon approval of the Secretary, inmates working in job assignments requiring special skills or training may be paid up to three dollars ($3.00) per day. The Correction Enterprises Fund shall be the source of wages and allowances provided to inmates who are employed by the Division of Adult Correction of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice in work assignments established by the Section of Prisons of the Division of Adult Correction."

SECTION 16.1.(oo) G.S. 148-37 reads as rewritten:

"**§ 148-37. Additional facilities authorized; contractual arrangements.**

(a) Subject to the provisions of G.S. 143-341, the Division of Adult Correction of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice may establish additional facilities for use by the Division, such facilities to be either of a permanent type of construction or of a temporary or movable type as the Division may find most advantageous to the particular needs, to the end that the prisoners under its supervision may be so distributed throughout the State as to facilitate individualization of treatment designed to prepare them for lawful living in the community where they are most likely to reside after their release from prison. For this purpose, the Division may purchase or lease sites and suitable lands adjacent thereto and erect necessary buildings thereon, or purchase or lease existing facilities, all within the limits of allotments as approved by the Department of Administration.

(b) The Secretary of ~~Public Safety~~Adult Correction and Juvenile Justice may contract with the proper official of the United States or of any county or city of this State for the confinement of federal prisoners after they have been sentenced, county, or city prisoners in facilities of the State prison system or for the confinement of State prisoners in any county or any city facility located in North Carolina, or any facility of the United States Bureau of Prisons, when to do so would most economically and effectively promote the purposes served by the Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice. Except as otherwise provided, any contract made under the authority of this subsection shall be for a period of not more than two years, and shall be renewable from time to time for a period not to exceed two years. Contracts made under the authority of this subsection for the confinement of State prisoners in local or district confinement facilities may be for a period of not more than 10 years and renewable from time to time for a period not to exceed 10 years, and shall be subject to the approval of the Council of State and the Department of Administration after consultation with the Joint Legislative Commission on Governmental Operations. Contracts for receiving federal, county and city prisoners shall provide for reimbursing the State in full for all costs involved. The financial provisions shall have the approval of the Department of Administration before the contract is executed. Payments received under such contracts shall be deposited in the State treasury for the use of the Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice. Such payments are hereby appropriated to the Division of Adult Correction of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice as a supplementary fund to compensate for the additional care and maintenance of such prisoners as are received under such contracts.

(b1) Recodified as G.S. 148-37.2 by Session Laws 2001-84, s. 1, effective May 17, 2001.

(c) In addition to the authority contained in subsections (a) and (b) of this section, and in addition to the contracts ratified by subsection (f) of this section, the Secretary of ~~Public Safety~~Adult Correction and Juvenile Justice may enter into contracts with any public entity or any private nonprofit or for-profit firms for the confinement and care of State prisoners in any out-of-state correctional facility when to do so would most economically and effectively promote the purposes served by the Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice. Contracts entered into under the authority of this subsection shall be for a period not to exceed two years and shall be renewable from time to time for a period not to exceed two years. Prisoners may be sent to out-of-state correctional facilities only when there are no available facilities in this State within the State prison system to appropriately house those prisoners. Any contract made under the authority of this subsection shall be approved by the Department of Administration before the contract is executed. Before expending more than the amount specifically appropriated by the General Assembly for the out-of-state housing of inmates, the Division shall obtain the approval of the Joint Legislative Commission on Governmental Operations and shall report such expenditures to the Chairs of the Senate and House Appropriations Committees, the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety, and the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety.

(d) Prisoners confined in out-of-state correctional facilities pursuant to subsection (c) of this section shall remain subject to the rules adopted for the conduct of persons committed to the State prison system. The rules regarding good time and gain time, discipline, classification, extension of the limits of confinement, transfers, housing arrangements, and eligibility for parole shall apply to inmates housed in those out-of-state correctional facilities. The operators of those out-of-state correctional facilities may promulgate any other rules as may be necessary for the operation of those facilities with the written approval of the Secretary of ~~Public Safety.~~Adult Correction and Juvenile Justice. Custodial officials employed by an out-of-state correctional facility are agents of the Secretary of ~~Public Safety~~Adult Correction and Juvenile Justice and may use those procedures for use of force authorized by the Secretary of ~~Public~~

~~Safety~~Adult Correction and Juvenile Justice not inconsistent with the laws of the State of situs of the facility to defend themselves, to enforce the observance of discipline in compliance with correctional facility rules, to secure the person of a prisoner, and to prevent escape. Prisoners confined to out-of-state correctional facilities may be required to perform reasonable work assignments within those facilities. Private firms under subsection (c) of this section shall employ inmate disciplinary and grievance policies of the Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

(e) Repealed by Session Laws 1995, c. 324, s. 19.10.

(f) Any contracts entered into by the Division of Adult Correction of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice with public contractors prior to March 25, 1994, for the out-of-state housing of inmates are ratified.

(g) The Secretary of ~~Public Safety~~Adult Correction and Juvenile Justice may contract with private for-profit or nonprofit firms for the provision and operation of four or more confinement facilities totaling up to 2,000 beds in the State to house State prisoners when to do so would most economically and effectively promote the purposes served by the Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice. This 2,000-bed limitation shall not apply to the 500 beds in private substance abuse treatment centers authorized by the General Assembly prior to July 1, 1995. Whenever the Division of Adult Correction of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice determines that new prison facilities are required in addition to existing and planned facilities, the Division may contract for any remaining beds authorized by this section before constructing State-operated facilities.

Contracts entered under the authority of this subsection shall be for a period not to exceed 10 years, shall be renewable from time to time for a period not to exceed 10 years. The Secretary of ~~Public Safety~~Adult Correction and Juvenile Justice shall enter contracts under this subsection only if funds are appropriated for this purpose by the General Assembly. Contracts entered under the authority of this subsection may be subject to any requirements for the location of the confinement facilities set forth by the General Assembly in appropriating those funds.

Once the Division has made a determination to contract for additional private prison beds, it shall issue a request for proposals within 30 days of the decision. The request for proposals shall require bids to be submitted within two months, and the Division shall award contracts at the earliest practicable date after the submission of bids. The Secretary of ~~Public Safety,~~Adult Correction and Juvenile Justice, in consultation with the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety, shall make recommendations to the State Purchasing Officer on the final award decision. The State Purchasing Officer shall make the final award decision, and the contract shall then be subject to the approval of the Council of State after consultation with the Joint Legislative Commission on Governmental Operations.

Contracts made under the authority of this subsection may provide the State with an option to purchase the confinement facility or may provide for the purchase of the confinement facility by the State. Contracts made under the authority of this subsection shall state that plans and specifications for private confinement facilities shall be furnished to and reviewed by the Office of State Construction. The Office of State Construction shall inspect and review each project during construction to ensure that the project is suitable for habitation and to determine whether the project would be suitable for future acquisition by the State. All contracts for the housing of State prisoners in private confinement facilities shall require a minimum of ten million dollars ($10,000,000) of occurrence-based liability insurance and shall hold the State harmless and provide reimbursement for all liability arising out of actions caused by operations and employees of the private confinement facility.

Prisoners housed in private confinement facilities pursuant to this subsection shall remain subject to the rules adopted for the conduct of persons committed to the State prison system. The Secretary of ~~Public Safety~~Adult Correction and Juvenile Justice may review and approve the design and construction of private confinement facilities before housing State prisoners in these facilities. The rules regarding good time, gain time, and earned credits, discipline, classification, extension of the limits of confinement, transfers, housing arrangements, and eligibility for parole shall apply to inmates housed in private confinement facilities pursuant to this subsection. The operators of private confinement facilities may adopt any other rules as may be necessary for the operation of those facilities with the written approval of the Secretary of ~~Public Safety.~~Adult Correction and Juvenile Justice. Custodial officials employed by a private confinement facility are agents of the Secretary of ~~Public Safety~~Adult Correction and Juvenile Justice and may use those procedures for use of force authorized by the Secretary of ~~Public Safety~~Adult Correction and Juvenile Justice to defend themselves, to enforce the observance of discipline in compliance with confinement facility rules, to secure the person of a prisoner, and to prevent escape. Private firms under this subsection shall employ inmate disciplinary and grievance policies of the Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

(h) Private confinement facilities under this section shall be designed, built, and operated in accordance with applicable State laws, court orders, fire safety codes, and local regulations.

(i) The Division of Adult Correction of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice shall make a written report no later than March 1 of every year, beginning in 1997, on the substance of all outstanding contracts for the housing of State prisoners entered into under the authority of this section. The report shall be submitted to the Joint Legislative Oversight Committee on Justice and Public Safety."

SECTION 16.1.(pp) G.S. 150B-1 reads as rewritten:

"**§ 150B-1. Policy and scope.**

...

(d) Exemptions from Rule Making. – Article 2A of this Chapter does not apply to the following:

...

(6) The Division of Adult Correction of the Department of ~~Public Safety,~~Adult Correction and Juvenile Justice, with respect to matters relating solely to persons in its custody or under its supervision, including prisoners, probationers, and parolees.

...

(e) Exemptions From Contested Case Provisions. – The contested case provisions of this Chapter apply to all agencies and all proceedings not expressly exempted from the Chapter. The contested case provisions of this Chapter do not apply to the following:

...

(7) The Division of Adult Correction of the Department of ~~Public Safety.~~Adult Correction and Juvenile Justice.

...."

SECTION 16.1.(qq) G.S. 164-47 reads as rewritten:

"**§ 164-47. Biennial Report on Recidivism.**

The Judicial Department, through the North Carolina Sentencing and Policy Advisory Commission, and the Division of Adult Correction of the Department of ~~Public Safety~~Adult Correction and Juvenile Justice shall jointly conduct ongoing evaluations of community corrections programs and in-prison treatment programs and make a biennial report to the General Assembly. The report shall include composite measures of program effectiveness based on recidivism rates, other outcome measures, and costs of the programs.

During the 1998-99 fiscal year, the Sentencing and Policy Advisory Commission shall coordinate the collection of all data necessary to create an expanded database containing offender information on prior convictions, current conviction and sentence, program participation, and outcome measures. Each program to be evaluated shall assist the Commission in the development of systems and collection of data necessary to complete the evaluation process. The first evaluation report shall be presented to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by April 15, 2000, and future reports shall be made by April 15 of each even-numbered year."

SECTION 16.1.(rr) G.S. 143B-601(a)(10) and (11) are repealed.

SECTION 16.1.(ss) The Department of Public Safety and the Office of State Management and Budget shall determine the best method to separate administrative support personnel between the Department of Public Safety and the Department of Adult Correction and Juvenile Justice. To the extent possible, to maintain continuity of operations, personnel, and positions that were originally in the Department of Correction or the Department of Juvenile Justice and Delinquency Prevention shall be transferred to the new Department of Adult Correction and Juvenile Justice. DPS and OSBM shall report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1, 2018, regarding the plan for administrative separation. The report shall include any recommendations for funding or statutory changes needed to implement this section.

SECTION 16.1.(tt) Notwithstanding any other provision of law, there shall be no transfer of positions to or from the Division of Adult Correction and Juvenile Justice (Budget Code 14550, Fund Codes 1200 through 1399) and no changes to the total authorized budget of the Division of Adult Correction and Juvenile Justice, as it existed on March 1, 2017, prior to the creation of the Department of Adult Correction and Juvenile Justice. This subsection shall not apply to transfers of positions or changes to the total authorized budget of the Division of Adult Correction and Juvenile Justice that are expressly required by the Committee Report described in Section 39.2 of this act.

SECTION 16.1.(uu) Actions taken between December 1, 2012, and June 30, 2018, by the Division of Adult Correction or the Division of Juvenile Justice of the Department of Public Safety under the name of the Division of Adult Correction and Juvenile Justice of the Department of Public Safety are hereby ratified.

SECTION 16.1.(vv) The Revisor of Statutes may conform names and titles changed by this section and may correct statutory references as required by this section throughout the General Statutes. In making the changes authorized by this section, the Revisor may also adjust subject and verb agreement and the placement of conjunctions.

SECTION 16.1.(ww) The creation of the Department of Adult Correction and Juvenile Justice as provided in this section and all conforming changes required and authorized by this section related to the creation of the Department become effective July 1, 2018. On and after that date, any references or directives in this act to the Division of Adult Correction and the Division of Juvenile Justice of the Department of Public Safety shall be construed to apply to the appropriate division of the Department of Adult Correction and Juvenile Justice pursuant to the departmental consolidation enacted by this section. The remainder of this section is effective when it becomes law.

NO TRANSFER OF POSITIONS TO OTHER STATE AGENCIES

SECTION 16.2.(a) Notwithstanding any other provision of law, the Office of State Budget and Management shall not transfer any positions, personnel, or funds from the Department of Public Safety to any other State agency during the 2017-2019 fiscal biennium unless the transfer was included in the base budget for one or both fiscal years of the biennium.

This subsection shall not apply to any of the following annual transfers to the Office of the Governor:

(1) Two hundred thirty-four thousand eight hundred ninety-one dollars ($234,891) for administrative support.

(2) Up to fifty thousand dollars ($50,000) for litigation expenses.

SECTION 16.2.(b) This section becomes effective July 1, 2017. If any transfers that violate this section are made prior to this section becoming effective, those transfers shall be undone within 15 days of this section becoming effective.

LAPSED SALARY REPORT

SECTION 16.3. The Department of Public Safety shall report on February 1 and August 1 of each year to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety. The report shall include the following:

(1) Amount of lapsed salary generated by fund code for the previous six months.

(2) An itemized accounting of the use of lapsed salary funds including:

a. Fund code.

b. Current certified budget.

c. Annual projected expenditure.

d. Annual projected shortfall.

e. Amount of lapsed salary funds transferred to date.

The August 1 report shall include an annual accounting of this information for the previous fiscal year.

PILOT PROJECT TO TREAT OPIATE OVERDOSE

SECTION 16.4.(a) Pilot Project. – The Department of Public Safety, in conjunction with the City of Wilmington, shall develop and implement a pilot project to establish a Quick Response Team (QRT) to address the needs of opiate and heroin overdose victims who are not getting follow-up treatment. The QRT shall be staffed by firefighters, police officers, medics, and other law enforcement as determined by the Department of Public Safety and the City of Wilmington. The Department of Public Safety and the City of Wilmington shall work together to develop the policy and procedures for the QRT. In doing so, all of the following shall be considered:

(1) Increase engagement and treatment with family counseling and recovery groups.

(2) Provide follow-up care to survivable overdose incidents with police or medics and licensed counselors.

(3) Provide short-term and long-term support to overdose victims and families.

(4) Provide follow up within three to five days after an initial incident.

(5) Create a fatality review panel to analyze and keep track of the deaths of those served by QRT.

SECTION 16.4.(b) Report. – The Department of Public Safety and the City of Wilmington shall report on the results of the pilot project to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1, 2019.

GRANT REPORTING AND MATCHING FUNDS

SECTION 16.5.(a) The Department of Public Safety, the Department of Justice, and the Judicial Department shall each report by May 1 of each year to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on grant funds received or preapproved

for receipt by those departments. The report shall include information on the amount of grant funds received or preapproved for receipt by each department, the use of the funds, the State match expended to receive the funds, and the period to be covered by each grant. If a department intends to continue the program beyond the end of the grant period, that department shall report on the proposed method for continuing the funding of the program at the end of the grant period. Each department shall also report on any information it may have indicating that the State will be requested to provide future funding for a program presently supported by a local grant.

SECTION 16.5.(b) Notwithstanding the provisions of G.S. 143C-6-9, the Department of Public Safety may use up to the sum of one million two hundred thousand dollars ($1,200,000) during the 2017-2018 fiscal year and up to the sum of one million two hundred thousand dollars ($1,200,000) during the 2018-2019 fiscal year from funds available to the Department to provide the State match needed in order to receive grant funds. Prior to using funds for this purpose, the Department shall report to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the grants to be matched using these funds.

SUBPART XVI-A. GENERAL PROVISIONS [RESERVED]

SUBPART XVI-B. DIVISION OF LAW ENFORCEMENT

STATE CAPITOL POLICE/CREATION OF RECEIPT-SUPPORTED POSITIONS

SECTION 16B.1.(a) Creation of Receipt-Supported Positions Authorized. – The State Capitol Police may contract with State agencies for the creation of receipt-supported positions to provide security services to the buildings occupied by those agencies.

SECTION 16B.1.(b) Annual Report Required. – No later than September 1 of each fiscal year, the State Capitol Police shall report to the Joint Legislative Oversight Committee on Justice and Public Safety the following information for the fiscal year in which the report is due:

(1) A list of all positions in the State Capitol Police. For each position listed, the report shall include at least the following information:
   a. The position type.
   b. The agency to which the position is assigned.
   c. The source of funding for the position.

(2) For each receipt-supported position listed, the contract and any other terms of the contract.

SECTION 16B.1.(c) Additional Reporting Required Upon Creation of Receipt-Supported Positions. – In addition to the report required by subsection (b) of this section, the State Capitol Police shall report the creation of any position pursuant to subsection (a) of this section to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and to the Fiscal Research Division within 30 days of the position's creation. A report submitted pursuant to this section shall include at least the following information:

(1) The position type.
(2) The agency to which the position is being assigned.
(3) The position salary.
(4) The total amount of the contract.
(5) The terms of the contract.

SECTION 16B.1.(d) Format of Reports. – Reports submitted pursuant to this section shall be submitted electronically and in accordance with any applicable General Assembly standards.

USE OF SEIZED AND FORFEITED PROPERTY

SECTION 16B.2.(a) Seized and forfeited assets transferred to the Department of Justice or to the Department of Public Safety during the 2017-2019 fiscal biennium pursuant to applicable federal law shall be credited to the budget of the recipient department and shall result in an increase of law enforcement resources for that department. The Department of Public Safety and the Department of Justice shall each make the following reports to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and Senate Appropriations Committee on Justice and Public Safety:

(1) A report upon receipt of any assets.

(2) A report that shall be made prior to use of the assets on their intended use and the departmental priorities on which the assets may be expended.

(3) A report on receipts, expenditures, encumbrances, and availability of these assets for the previous fiscal year, which shall be made no later than September 1 of each year.

SECTION 16B.2.(b) The General Assembly finds that the use of seized and forfeited assets transferred pursuant to federal law for new personnel positions, new projects, acquisition of real property, repair of buildings where the repair includes structural change, and construction of or additions to buildings may result in additional expenses for the State in future fiscal periods. Therefore, the Department of Justice and Department of Public Safety are prohibited from using these assets for such purposes without the prior approval of the General Assembly.

SECTION 16B.2.(c) Nothing in this section prohibits State law enforcement agencies from receiving funds from the United States Department of Justice, the United States Department of the Treasury, and the United States Department of Health and Human Services.

SECTION 16B.2.(d) The Joint Legislative Oversight Committee on Justice and Public Safety shall study the impact on State and local law enforcement efforts of the receipt of seized and forfeited assets. The Committee shall report its findings and recommendations prior to the convening of the 2018 Regular Session of the 2017 General Assembly.

PROTECT HOSPITAL SECURITY PERSONNEL

SECTION 16B.3.(a) G.S. 14-34.6 reads as rewritten:

"**§ 14-34.6. Assault or affray on a firefighter, an emergency medical technician, medical responder, and hospital personnel.**

(a) A person is guilty of a Class I felony if the person commits an assault or affray causing physical injury on any of the following persons who are discharging or attempting to discharge their official duties:

(1) An emergency medical technician or other emergency health care provider.

(2) A medical responder.

(3) Hospital personnel and licensed healthcare providers who are providing or attempting to provide health care services to a patient in a hospital.

(4) Repealed by Session Laws 2011-356, s. 2, effective December 1, 2011, and applicable to offenses committed on or after that date.

(5) A firefighter.

(6) Hospital security personnel.

(b) Unless a person's conduct is covered under some other provision of law providing greater punishment, a person is guilty of a Class H felony if the person violates subsection (a) of this section and (i) inflicts serious bodily injury or (ii) uses a deadly weapon other than a firearm.

(c) Unless a person's conduct is covered under some other provision of law providing greater punishment, a person is guilty of a Class F felony if the person violates subsection (a) of this section and uses a firearm."

SECTION 16B.3.(b) This section becomes effective December 1, 2017, and applies to offenses committed on or after that date.

LIEUTENANT GOVERNOR EXECUTIVE PROTECTION DETAIL

SECTION 16B.4.(a) Article 4 of Chapter 20 of the General Statutes is amended by adding a new section to read:

"**§ 20-189.1. Lieutenant Governor Executive Protection Detail.**

(a) Creation. – There is created within the Highway Patrol a Lieutenant Governor's Executive Protection Detail. The Lieutenant Governor shall submit the names of three sworn members in good standing of the North Carolina Highway Patrol to the Commander, and the Commander shall assign those officers to serve in the Lieutenant Governor's Executive Protection Detail. The Lieutenant Governor is authorized to remove any members of the detail, with or without cause. If the Lieutenant Governor removes a member of the detail, the Lieutenant Governor shall submit to the Commander the name of an officer to replace the member who has been removed and the Commander shall assign the replacement. Members of the Lieutenant Governor's Executive Protection Detail shall continue to be employed by the North Carolina Highway Patrol subject to the laws, rules, and regulations of the Highway Patrol. The North Carolina Highway Patrol shall provide vehicles necessary for the carrying out of the Detail's duties under this Article.

(b) Duties. – The members of the Lieutenant Governor's Executive Protection Detail shall protect the Lieutenant Governor and the Lieutenant Governor's immediate family and perform duties as assigned by the Lieutenant Governor relating to the protection of the Lieutenant Governor."

SECTION 16B.4.(b) This section is effective when this act becomes law.

STUDIES TO ENHANCE PUBLIC SAFETY/PED

SECTION 16B.5.(a) The Joint Legislative Program Evaluation Oversight Committee shall revise the biennial 2017-2018 work plan for the Program Evaluation Division to include the following:

(1) An evaluation of the Voice Interoperability Plan for Emergency Responders (VIPER) and FirstNet technologies. Specifically, the Program Evaluation Division shall:
   a. Examine the current state of VIPER and FirstNet technology and identify long-term future equipment needs and upgrades.
   b. Identify efficiencies and cost-sharing methods for ensuring sustainability of system operations and maintenance.
   c. Determine whether system functions are duplicated.
   d. Identify the most effective governance and operational financing structure to ensure equitable and reasonable cost-sharing and optimal system adoption by public safety agency stakeholders.

(2) An evaluation of the current security measures for the downtown Raleigh State Government complex and options to create cost efficient and comprehensive security plans.

SECTION 16B.5.(b) The Program Evaluation Division shall submit its evaluation to the Joint Legislative Program Evaluation Oversight Committee and to the Joint Legislative Oversight Committee on Justice and Public Safety no later than March 1, 2018.

9/11 AS FIRST RESPONDERS DAY

SECTION 16B.6. G.S. 103-4(a) is amended by adding a new subdivision to read:

"**§ 103-4. Dates of public holidays.**

(a) The following are declared to be legal public holidays:

...

(10a) First Responders Day, September 11.

...."

SHP ELIGIBLE FOR PSAP GRANT/911 PROJECTS

SECTION 16B.7. G.S. 143B-1407 is amended by adding a new subsection to read:

"(f) Application to State Highway Patrol. – The State Highway Patrol is an eligible PSAP for purposes of applying to the 911 Board for a grant from the PSAP Grant and Statewide 911 Projects Account. This subsection applies to funds collected on or after July 1, 2017."

SUBPART XVI-C. DIVISION OF ADULT CORRECTION

USE OF CLOSED FACILITIES

SECTION 16C.1. In conjunction with the closing of prison facilities, youth detention centers, and youth development centers, the Department of Public Safety shall consult with the county or municipality in which the facility is located, with elected State and local officials, and with State and federal agencies about the possibility of converting that facility to other use. The Department may also consult with any private for-profit or nonprofit firm about the possibility of converting the facility to other use. In developing a proposal for future use of each facility, the Department shall give priority to converting the facility to other criminal justice use. Consistent with existing law and the future needs of the Department of Public Safety, the State may provide for the transfer or the lease of any of these facilities to counties, municipalities, State agencies, federal agencies, or private firms wishing to convert them to other use. G.S. 146-29.1(f) through (g) shall not apply to a transfer made pursuant to this section. The Department of Public Safety may also consider converting some of the facilities recommended for closing from one security custody level to another, where that conversion would be cost-effective. A prison unit under lease to a county pursuant to the provisions of this section for use as a jail is exempt for the period of the lease from any of the minimum standards adopted by the Secretary of Health and Human Services pursuant to G.S. 153A-221 for the housing of adult prisoners that would subject the unit to greater standards than those required of a unit of the State prison system.

REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL EXPENSES

SECTION 16C.2. Notwithstanding G.S. 143C-6-9, the Department of Public Safety may use funds available to the Department for the 2017-2019 fiscal biennium to reimburse counties for the cost of housing convicted inmates, parolees, and post-release supervisees awaiting transfer to the State prison system, as provided in G.S. 148-29. The reimbursement may not exceed forty dollars ($40.00) per day per prisoner awaiting transfer. The Department shall report annually by February 1 of each year to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the expenditure of funds to reimburse counties for prisoners awaiting transfer.

CENTER FOR COMMUNITY TRANSITIONS/ CONTRACT AND REPORT

SECTION 16C.3. The Department of Public Safety may continue to contract with The Center for Community Transitions, Inc., a nonprofit corporation, for the purchase of prison beds for minimum security female inmates during the 2017-2019 fiscal biennium. The Center for Community Transitions, Inc., shall report by February 1 of each year to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the annual cost per inmate and the average daily inmate population compared to bed capacity using the same methodology as that used by the Department of Public Safety.

INMATE CONSTRUCTION PROGRAM

SECTION 16C.4. Notwithstanding any other provision of law but subject to Article 3 of Chapter 148 of the General Statutes, during the 2017-2019 fiscal biennium, the State Construction Office may utilize inmates in the custody of the Division of Adult Correction of the Department of Public Safety through the Inmate Construction Program for repair and renovation projects on State-owned facilities, with priority given to Department of Public Safety construction projects. State agencies utilizing the Inmate Construction Program shall reimburse the Division of Adult Correction of the Department of Public Safety for the cost of transportation, custody, and wages for the inmate crews.

STATEWIDE MISDEMEANANT CONFINEMENT PROGRAM

SECTION 16C.5.(a) The North Carolina Sheriffs' Association shall report no later than the 15th day of each month to the Office of State Budget and Management and the Fiscal Research Division on the Statewide Misdemeanant Confinement Program. Each monthly report shall include all of the following:

(1) The daily population, delineated by misdemeanant or DWI monthly housing.
(2) The cost of housing prisoners under the Program.
(3) The cost of transporting prisoners under the Program.
(4) Personnel costs.
(5) Inmate medical care costs.
(6) The number of counties that volunteer to house inmates under the Program.
(7) The administrative costs paid to the Sheriffs' Association and to the Department of Public Safety.

SECTION 16C.5.(b) The North Carolina Sheriffs' Association shall report no later than October 1 of each year to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety on the Statewide Misdemeanant Confinement Program. The report shall include the following with respect to the prior fiscal year:

(1) Revenue collected by the Statewide Misdemeanant Confinement Program.
(2) The cost of housing prisoners by county under the Program.
(3) The cost of transporting prisoners by county under the Program.
(4) Personnel costs by county.
(5) Inmate medical care costs by county.
(6) The number of counties that volunteer to house inmates under the Program.
(7) The administrative costs paid to the Sheriffs' Association and to the Department of Public Safety.

SECTION 16C.5.(c) Of the funds appropriated in this act for the Statewide Misdemeanant Confinement Program:

(1) The sum of one million dollars ($1,000,000) shall be transferred to the North Carolina Sheriffs' Association, Inc., a nonprofit corporation, to support the

the preceding fiscal year from the miscellaneous contract line in Fund Code 1230 to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and the Fiscal Research Division. The report shall include all of the following: an itemized list of the contracts that have been executed, the amount of each contract, the date the contract was executed, the purpose of the contract, the number of juveniles that will be served and the manner in which they will be served, the amount of money transferred to the Juvenile Crime Prevention Council fund, and an itemized list of grants allocated from the funds transferred to the Juvenile Crime Prevention Council fund.

STATE FUNDS MAY BE USED AS FEDERAL MATCHING FUNDS

SECTION 16D.2. Funds appropriated in this act to the Department of Public Safety for each fiscal year of the 2017-2019 fiscal biennium may be used as matching funds for the Juvenile Accountability Incentive Block Grants. If North Carolina receives Juvenile Accountability Incentive Block Grants or a notice of funds to be awarded, the Office of State Budget and Management and the Governor's Crime Commission shall consult with the Department of Public Safety regarding the criteria for awarding federal funds. The Office of State Budget and Management, the Governor's Crime Commission, and the Department of Public Safety shall report to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety and the Joint Legislative Oversight Committee on Justice and Public Safety prior to allocation of the federal funds. The report shall identify the amount of funds to be received for the 2017-2018 fiscal year, the amount of funds anticipated for the 2018-2019 fiscal year, and the allocation of funds by program and purpose.

JUVENILE CRIME PREVENTION COUNCIL FUNDS

SECTION 16D.3. G.S. 143B-852(a) reads as rewritten:

"(a) On or before February 1 of each year, the Department of Public Safety shall submit to the Chairs of the Joint Legislative ~~Commission on Governmental Operations~~ Oversight Committee on Justice and Public Safety and the Chairs of the ~~Senate and~~ House of Representatives Appropriations ~~Subcommittees~~Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety a list of the recipients of the grants awarded, or preapproved for award, from funds appropriated to the Department for local Juvenile Crime Prevention Council (JCPC) grants, including the following information:

(1) The amount of the grant awarded.
(2) The membership of the local committee or council administering the award funds on the local level.
(3) The type of program funded.
(4) A short description of the local services, programs, or projects that will receive funds.
(5) Identification of any programs that received grant funds at one time but for which funding has been eliminated by the Department.
(6) The number of at-risk, diverted, and adjudicated juveniles served by each county.
(7) The Department's actions to ensure that county JCPCs prioritize funding for dispositions of intermediate and community-level sanctions for court-adjudicated juveniles under minimum standards adopted by the Department.
(8) The total cost for each funded program, including the cost per juvenile and the essential elements of the program."

JUVENILE REINVESTMENT ACT

INCREASE THE AGE OF JURISDICTION, EXCEPT FOR CERTAIN FELONIES

SECTION 16D.4.(a) G.S. 7B-1501 reads as rewritten:

"**§ 7B-1501. Definitions.**

In this Subchapter, unless the context clearly requires otherwise, the following words have the listed meanings. The singular includes the plural, unless otherwise specified.

...

(7) Delinquent juvenile. –

a. Any juvenile who, while less than 16 years of age but at least 6 years of age, commits a crime or infraction under State law or under an ordinance of local government, including violation of the motor vehicle laws, or who commits indirect contempt by a juvenile as defined in G.S. 5A-31.

b. Any juvenile who, while less than 18 years of age but at least 16 years of age, commits a misdemeanor or infraction under State law or under an ordinance of local government, excluding a violation of the motor vehicle laws, or who commits indirect contempt by a juvenile as defined in G.S. 5A-31.

...

(27a) Victim. – Any individual or entity against whom a crime or infraction is alleged to have been committed by a juvenile based on reasonable grounds that the alleged facts are true. For purposes of Article 17 of this Chapter, the term may also include a parent, guardian, or custodian of a victim under the age of 18 years.

...."

SECTION 16D.4.(b) G.S. 7B-1601 reads as rewritten:

"**§ 7B-1601. Jurisdiction over delinquent juveniles.**

(a) The court has exclusive, original jurisdiction over any case involving a juvenile who is alleged to be delinquent. For purposes of determining jurisdiction, the age of the juvenile at the time of the alleged offense governs.

(b) When the court obtains jurisdiction over a juvenile alleged to be ~~delinquent,~~delinquent for an offense committed prior to the juvenile reaching the age of 16 years, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 18 years, except as provided otherwise in this Article.

(b1) When the court obtains jurisdiction over a juvenile alleged to be delinquent for an offense committed while the juvenile was at least 16 years of age but less than 17 years of age, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 19 years. If the offense was committed while the juvenile was at least 17 years of age, jurisdiction shall continue until terminated by order of the court or until the juvenile reaches the age of 20 years.

(c) When delinquency proceedings for a juvenile alleged to be delinquent for an offense committed prior to the juvenile reaching the age of 16 years cannot be concluded before the juvenile reaches the age of 18 years, the court retains jurisdiction for the sole purpose of conducting proceedings pursuant to Article 22 of this Chapter and either transferring the case to superior court for trial as an adult or dismissing the petition.

(c1) When delinquency proceedings for a juvenile alleged to be delinquent for an offense committed while the juvenile was at least 16 years of age but less than 17 years of age cannot be concluded before the juvenile reaches the age of 19 years, the court retains jurisdiction for the sole purpose of dismissing the petition. When delinquency proceedings for a juvenile

(2b) For each prior conviction of a Class F through I felony or Class A1 misdemeanor offense, excluding conviction of the motor vehicle laws, 2 points.

(2c) For each prior misdemeanor conviction of impaired driving (G.S. 20-138.1), impaired driving in a commercial vehicle (G.S. 20-138.2), and misdemeanor death by vehicle (G.S. 20-141.4(a2)), 2 points.

(3) For each prior adjudication of a Class 1, 2, or 3 misdemeanor offense, 1 point.

(3a) For each prior conviction of a Class 1, 2, or 3 misdemeanor offense, excluding conviction for violation of the motor vehicle laws, 1 point.

(4) If the juvenile was on probation at the time of offense, 2 points.

No points shall be assigned for a prior adjudication that a juvenile is in direct contempt of court or indirect contempt of court.

(c) Delinquency History Levels. – The delinquency history levels are:

(1) Low – No more than 1 point.

(2) Medium – At least 2, but not more than 3 points.

(3) High – At least 4 points.

In determining the delinquency history level, the classification of a prior offense is the classification assigned to that offense at the time the juvenile committed the offense for which disposition is being ordered.

(d) Multiple Prior Adjudications or Convictions Obtained in One Court Session. – For purposes of determining the delinquency history level, if a juvenile is adjudicated delinquent or convicted for more than one offense in a single session of district court, only the adjudication or conviction for the offense with the highest point total is used.

(e) Classification of Prior Adjudications or Convictions From Other Jurisdictions. – Except as otherwise provided in this subsection, an adjudication or conviction occurring in a jurisdiction other than North Carolina is classified as a Class I felony if the jurisdiction in which the offense occurred classifies the offense as a felony, or is classified as a Class 3 misdemeanor if the jurisdiction in which the offense occurred classifies the offense as a misdemeanor. If the juvenile proves by the preponderance of the evidence that an offense classified as a felony in the other jurisdiction is substantially similar to an offense that is a misdemeanor in North Carolina, the adjudication or conviction is treated as that class of misdemeanor for assigning delinquency history level points. If the State proves by the preponderance of the evidence that an offense classified as either a misdemeanor or a felony in the other jurisdiction is substantially similar to an offense in North Carolina that is classified as a Class I felony or higher, the adjudication or conviction is treated as that class of felony for assigning delinquency history level points. If the State proves by the preponderance of the evidence that an offense classified as a misdemeanor in the other jurisdiction is substantially similar to an offense classified as a Class A1 misdemeanor in North Carolina, the adjudication or conviction is treated as a Class A1 misdemeanor for assigning delinquency history level points.

(f) Proof of Prior ~~Adjudications.~~Adjudications or Convictions. – A prior adjudication or conviction shall be proved by any of the following methods:

(1) Stipulation of the parties.

(2) An original or copy of the court record of the prior ~~adjudication.~~adjudication or conviction.

(3) A copy of records maintained by the Department of Public Safety or by the Division.

(4) Any other method found by the court to be reliable.

The State bears the burden of proving, by a preponderance of the evidence, that a prior adjudication or conviction exists and that the juvenile before the court is the same person as the

juvenile named in the prior ~~adjudication.~~adjudication or conviction. The original or a copy of the court records or a copy of the records maintained by the Department of Public Safety or of the Division, bearing the same name as that by which the juvenile is charged, is prima facie evidence that the juvenile named is the same person as the juvenile before the court, and that the facts set out in the record are true. For purposes of this subsection, "a copy" includes a paper writing containing a reproduction of a record maintained electronically on a computer or other data processing equipment, and a document produced by a facsimile machine. The prosecutor shall make all feasible efforts to obtain and present to the court the juvenile's full record. Evidence presented by either party at trial may be utilized to prove prior ~~adjudications.~~adjudications or convictions. If asked by the juvenile, the prosecutor shall furnish the juvenile's prior adjudications or convictions to the juvenile within a reasonable time sufficient to allow the juvenile to determine if the record available to the prosecutor is accurate."

SECTION 16D.4.(g) G.S. 7B-2513(a) reads as rewritten:

"(a) Pursuant to G.S. 7B-2506 and G.S. 7B-2508, the court may commit a delinquent juvenile who is at least 10 years of age to the Division for placement in a youth development center. Commitment shall be for an indefinite term of at least six months.

(a1) ~~In no event shall~~For an offense the juvenile committed prior to reaching the age of 16 years, the term shall not exceed:

(1) The twenty-first birthday of the juvenile if the juvenile has been committed to the Division for an offense that would be first-degree murder pursuant to G.S. 14-17, first-degree forcible rape pursuant to G.S. 14-27.21, first-degree statutory rape pursuant to G.S. 14-27.24, first-degree forcible sexual offense pursuant to G.S. 14-27.26, or first-degree statutory sexual offense pursuant to G.S. 14-27.29 if committed by an adult;

(2) The nineteenth birthday of the juvenile if the juvenile has been committed to the Division for an offense that would be a Class B1, B2, C, D, or E felony if committed by an adult, other than an offense set forth in subdivision (1) of this subsection; or

(3) The eighteenth birthday of the juvenile if the juvenile has been committed to the Division for an offense other than an offense that would be a Class A, B1, B2, C, D, or E felony if committed by an adult.

(a2) For an offense the juvenile committed while the juvenile was at least 16 years of age but less than 17 years of age, the term shall not exceed the juvenile's 19th birthday.

(a3) For an offense the juvenile committed while the juvenile was at least 17 years of age, the term shall not exceed the juvenile's 20th birthday.

(a4) No juvenile shall be committed to a youth development center beyond the minimum six-month commitment for a period of time in excess of the maximum term of imprisonment for which an adult in prior record level VI for felonies or in prior conviction level III for misdemeanors could be sentenced for the same offense, except when the Division pursuant to G.S. 7B-2515 determines that the juvenile's commitment needs to be continued for an additional period of time to continue care or treatment under the plan of care or treatment developed under subsection (f) of this section. At the time of commitment to a youth development center, the court shall determine the maximum period of time the juvenile may remain committed before a determination must be made by the Division pursuant to G.S. 7B-2515 and shall notify the juvenile of that determination."

SECTION 16D.4.(h) G.S. 7B-2515(a) reads as rewritten:

"(a) In determining whether a juvenile who was committed prior to the juvenile reaching the age of 16 years should be released before the juvenile's 18th birthday, the Division shall consider the protection of the public and the likelihood that continued placement will lead to further rehabilitation. If the Division does not intend to release the juvenile who was committed

prior to the juvenile reaching the age of 16 years prior to the juvenile's eighteenth birthday, or if the Division determines that the juvenile's commitment should be continued beyond the maximum commitment period as set forth in ~~G.S. 7B-2513(a),~~G.S. 7B-2513(a1), the Division shall notify the juvenile and the juvenile's parent, guardian, or custodian in writing at least 30 days in advance of the juvenile's eighteenth birthday or the end of the maximum commitment period, of the additional specific commitment period proposed by the Division, the basis for extending the commitment period, and the plan for future care or treatment."

SECTION 16D.4.(i) G.S. 7B-2603(b) reads as rewritten:

"(b) Once an order of transfer has been entered by the district court, the juvenile has the right to be considered for pretrial release as provided in G.S. 15A-533 and G.S. 15A-534. ~~The release order shall specify the person or persons to whom the juvenile may be released. Pending release, the court shall order that the juvenile be detained in a detention facility while awaiting trial. The court may order the juvenile to be held in a holdover facility as defined by G.S. 7B-1501 at any time the presence of the juvenile is required in court for pretrial hearings or trial, if the court finds that it would be inconvenient to return the juvenile to the detention facility.~~Pending release, the juvenile shall be detained pursuant to G.S. 7B-2204."

SECTION 16D.4.(j) G.S. 5A-31(a) reads as rewritten:

"(a) Each of the following, when done by an unemancipated minor who (i) is at least six years of age, (ii) is not yet ~~16~~18 years of age, and (iii) has not been convicted of any crime in superior court, is contempt by a juvenile:

…."

SECTION 16D.4.(k) G.S. 5A-34(b) reads as rewritten:

"(b) The provisions of Article 1 and Article 2 of this Chapter apply to acts or omissions by a minor who:

~~(1) Is 16 years of age or older;~~

(2) Is married or otherwise emancipated; or

(3) Before the act or omission, was convicted in superior court of any criminal offense."

SECTION 16D.4.(*l*) G.S. 14-316.1 reads as rewritten:

"**§ 14-316.1. Contributing to delinquency and neglect by parents and others.**

Any person who is at least ~~16~~18 years old who knowingly or willfully causes, encourages, or aids any juvenile within the jurisdiction of the court to be in a place or condition, or to commit an act whereby the juvenile could be adjudicated delinquent, undisciplined, abused, or neglected as defined by G.S. 7B-101 and G.S. 7B-1501 shall be guilty of a Class 1 misdemeanor.

It is not necessary for the district court exercising juvenile jurisdiction to make an adjudication that any juvenile is delinquent, undisciplined, abused, or neglected in order to prosecute a parent or any person, including an employee of the Division of Juvenile Justice of the Department of Public Safety under this section. An adjudication that a juvenile is delinquent, undisciplined, abused, or neglected shall not preclude a subsequent prosecution of a parent or any other person including an employee of the Division of Juvenile Justice of the Department of Public Safety, who contributes to the delinquent, undisciplined, abused, or neglected condition of any juvenile."

SECTION 16D.4.(m) G.S. 143B-805(6) reads as rewritten:

"(6) Delinquent juvenile. –

a. Any juvenile who, while less than 16 years of age but at least 6 years of age, commits a crime or infraction under State law or under an ordinance of local government, including violation of the motor vehicle laws.

b. Any juvenile who, while less than 18 years of age but at least 16 years of age, commits a misdemeanor or infraction under State law or

under an ordinance of local government, excluding violation of the motor vehicle laws."

SECTION 16D.4.(n) G.S. 143B-806(b) is amended by adding a new subdivision to read:

"(20) Provide for the transportation to and from any State or local juvenile facility of any person under the jurisdiction of the juvenile court for any purpose required by Chapter 7B of the General Statutes or upon order of the court."

VICTIM REQUEST/REVIEW OF DECISION NOT TO FILE A PETITION

SECTION 16D.4.(o) G.S. 7B-1703(c) reads as rewritten:

"(c) If the juvenile court counselor determines that a petition should not be filed, the juvenile court counselor shall notify the complainant and the victim, if the complainant is not the victim, immediately in writing with specific reasons for the ~~decision~~decision, whether or not legal sufficiency was found, and whether the matter was closed or diverted and retained, and shall include notice of the complainant's and victim's right to have the decision reviewed by the prosecutor. The juvenile court counselor shall sign the complaint after indicating on it:

(1) The date of the determination;

(2) The words "Not Approved for Filing"; and

(3) Whether the matter is "Closed" or "Diverted and Retained".

Except as provided in G.S. 7B-1706, any complaint not approved for filing as a juvenile petition shall be destroyed by the juvenile court counselor after holding the complaint for a temporary period to allow review as provided in G.S. 7B-1705."

SECTION 16D.4.(p) G.S. 7B-1704 reads as rewritten:

"**§ 7B-1704. Request for review by prosecutor.**

The complainant ~~has~~ and the victim have five calendar days, from receipt of the juvenile court counselor's decision not to approve the filing of a petition, to request review by the prosecutor. The juvenile court counselor shall notify the prosecutor immediately of such request and shall transmit to the prosecutor a copy of the complaint. The prosecutor shall notify the ~~complainant~~complainant, the victim, and the juvenile court counselor of the time and place for the review."

SECTION 16D.4.(q) G.S. 7B-1705 reads as rewritten:

"**§ 7B-1705. Review of determination that petition should not be filed.**

No later than 20 days after the complainant ~~is~~and the victim are notified, the prosecutor shall review the juvenile court counselor's determination that a juvenile petition should not be filed. Review shall include conferences with the ~~complainant~~complainant, the victim, and the juvenile court counselor. At the conclusion of the review, the prosecutor shall: (i) affirm the decision of the juvenile court counselor or direct the filing of a petition and (ii) notify the complainant and the victim of the prosecutor's action."

SECTION 16D.4.(r) G.S. 143B-806(b) is amended by adding a new subdivision to read:

"(14a) Develop and administer a system to provide information to victims and complainants regarding the status of pending complaints and the right of a complainant and victim to request review under G.S. 7B-1704 of a decision to not file a petition."

INCREASE INFORMATION AVAILABLE ON JUVENILES TO LAW ENFORCEMENT AND FOR COURT PROCEEDINGS

SECTION 16D.4.(s) G.S. 7B-3001 reads as rewritten:

"**§ 7B-3001. Other records relating to juveniles.**

(a) The chief court counselor shall maintain a record of all cases of juveniles under supervision of juvenile court counselors, to be known as the juvenile court counselor's record.

The juvenile court counselor's record shall include the juvenile's delinquency record; consultations with law enforcement that did not result in the filing of a complaint; family background information; reports of social, medical, psychiatric, or psychological information concerning a juvenile or the juvenile's family; probation reports; interviews with the juvenile's family; or other information the court finds should be protected from public inspection in the best interests of the juvenile.

(a1) To assist at the time of investigation of an incident that could result in the filing of a complaint, upon request, a juvenile court counselor shall share with a law enforcement officer sworn in this State information from the juvenile court counselor's record related to a juvenile's delinquency record or prior consultations with law enforcement. A law enforcement officer may not obtain copies of any part of the record, and all information shared pursuant to this subsection shall be withheld from public inspection as provided in subsection (b) of this section.

(b) Unless jurisdiction of the juvenile has been transferred to superior court, all law enforcement records and files concerning a juvenile shall be kept separate from the records and files of adults and shall be withheld from public inspection. The following persons may examine and obtain copies of law enforcement records and files concerning a juvenile without an order of the court:

(1) The juvenile or the juvenile's attorney;
(2) The juvenile's parent, guardian, custodian, or the authorized representative of the juvenile's parent, guardian, or custodian;
(3) The prosecutor;
(4) Juvenile court counselors; and
(5) Law enforcement officers sworn in this State.

Otherwise, the records and files may be examined or copied only by order of the court.

(c) All records and files maintained by the Division pursuant to this Chapter shall be withheld from public inspection. The following persons may examine and obtain copies of the Division records and files concerning a juvenile without an order of the court:

(1) The juvenile and the juvenile's attorney;
(2) The juvenile's parent, guardian, custodian, or the authorized representative of the juvenile's parent, guardian, or custodian;
(3) Professionals in the agency who are directly involved in the juvenile's case; and
(4) Juvenile court counselors.

Otherwise, the records and files may be examined or copied only by order of the court. The court may inspect and order the release of records maintained by the Division.

(d) When the Section of Community Corrections of the Division of Adult Correction of the Department of Public Safety is authorized to access a juvenile record pursuant to G.S. 7B-3000(e1), the Division may, at the request of the Section of Community Corrections of the Division of Adult Correction, notify the Section of Community Corrections of the Division of Adult Correction that there is a juvenile record of an adjudication of delinquency for an offense that would be a felony if committed by an adult for a person subject to probation supervision under Article 82 of Chapter 15A of the General Statutes and may notify the Section of Community Corrections of the Division of Adult Correction of the county or counties where the adjudication of delinquency occurred."

SECTION 16D.4.(t) By July 1, 2018, the Administrative Office of the Courts shall expand access to its automated electronic information management system for juvenile courts, JWise, to include prosecutors and attorneys representing juveniles in juvenile court proceedings. Access shall be limited to examining electronic records related to juvenile delinquency information. Other information contained in JWise, such as any records pertaining

to abuse, neglect, and dependency or termination of parental rights, shall not be made available to a prosecutor or juvenile's attorney through JWise.

Due to the increased mobility of North Carolina citizens across counties, the Administrative Office of the Courts shall develop a statewide search function for all users of the JWise computer system to improve tracking information of juvenile records by July 1, 2018.

SCHOOL-JUSTICE PARTNERSHIPS TO REDUCE SCHOOL-BASED REFERRALS TO JUVENILE COURTS

SECTION 16D.4.(u) G.S. 7A-343 reads as rewritten:

"**§ 7A-343. Duties of Director.**

The Director is the Administrative Officer of the Courts, and the Director's duties include all of the following:

...

(9g) Prescribe policies and procedures for Chief District Court Judges to establish School-Justice Partnerships with local law enforcement agencies, local boards of education, and local school administrative units with the goal of reducing in-school arrests, out-of-school suspension, and expulsions.

...."

JUVENILE JUSTICE TRAINING FOR LAW ENFORCEMENT OFFICERS

SECTION 16D.4.(v) G.S. 17C-6(a) reads as rewritten:

"**§ 17C-6. Powers of Commission.**

(a) In addition to powers conferred upon the Commission elsewhere in this Chapter, the Commission shall have the following powers, which shall be enforceable through its rules and regulations, certification procedures, or the provisions of G.S. 17C-10:

...

(2) Establish minimum educational and training standards that must be met in order to qualify for entry level employment and retention as a criminal justice officer in temporary or probationary status or in a permanent position. The standards for entry level employment shall include ~~education~~all of the following:

a. Education and training in response to, and investigation of, domestic violence cases, as well as training in investigation for evidence-based prosecutions.

b. Education and training on juvenile justice issues, including (i) the handling and processing of juvenile matters for referrals, diversion, arrests, and detention; (ii) best practices for handling incidents involving juveniles; (iii) adolescent development and psychology; and (iv) promoting relationship building with youth as a key to delinquency prevention.

...

(14) Establish minimum standards for in-service training for criminal justice officers. In-service training standards shall include ~~training~~all of the following:

a. Training in response to, and investigation of, domestic violence cases, as well as training investigation for evidence-based prosecutions.

b. Training on juvenile justice issues, including (i) the handling and processing of juvenile matters for referrals, diversion, arrests, and detention; (ii) best practices for handling incidents involving

Appointments to the Advisory Committee shall be made no later than August 1, 2017. A vacancy in the Advisory Committee or a vacancy as chair of the Advisory Committee resulting from the resignation of a member or otherwise shall be filled in the same manner in which the original appointment was made.

SECTION 16D.4.(aa) Chair; Meetings. – The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate one member to serve as cochair of the Advisory Committee.

The Advisory Committee shall meet in such manner as its members determine. A majority of the members of the Advisory Committee shall constitute a quorum.

SECTION 16D.4.(bb) Cooperation by Government Agencies. – The Advisory Committee may call upon any department, agency, institution, or officer of the State or any political subdivision thereof for facilities, data, or other assistance.

SECTION 16D.4.(cc) Duties of Advisory Committee. – The Advisory Committee shall develop a specific plan for the implementation of any changes in the juvenile justice system that would be required in order to extend jurisdiction in delinquency matters and proceedings to include 16- and 17-year-old persons within the juvenile justice system. When developing the plan the Advisory Committee shall also consider whether the extension of jurisdiction should include or exclude juveniles who commit the Class A1 offense of misdemeanor assault on a law enforcement officer. The plan shall include cost estimates for each portion of the plan, including capital costs, operating costs, and staffing costs.

The Advisory Committee shall also do a cost analysis for a staggered implementation of the expansion of jurisdiction in delinquency matters and proceedings based on age and shall make recommendations on how to stagger the implementation of this act.

As the expansion of the jurisdiction of the Division of Juvenile Justice to include persons 16 and 17 years of age who commit crimes or infractions becomes effective pursuant to this act, the Advisory Committee shall monitor and review the implementation of the expansion and shall make additional recommendations to the General Assembly as necessary.

SECTION 16D.4.(dd) Consultation. – The Advisory Committee shall consult with appropriate State departments, agencies, and board representatives on issues related to juvenile justice administration.

SECTION 16D.4.(ee) Report. – By November 1, 2017, the Advisory Committee shall submit an interim report to the General Assembly with copies to the Joint Legislative Oversight Committee on Justice and Public Safety and to the Appropriations Committees on Justice and Public Safety of both houses containing (i) the specific plan and the cost estimates for capital, operating, and staffing costs for implementation of this act, including legislative, administrative, and funding recommendations necessary to implement the increase in juvenile jurisdiction to include 16- and 17-year-old persons and (ii) cost estimates for capital, operating, and staffing costs if the implementation of this act was staggered based on age. The report shall also include its findings and recommendations as to whether the extension of jurisdiction in delinquency matters and proceedings should include juveniles who commit the Class A1 offense of misdemeanor assault on a law enforcement officer.

The Advisory Committee shall submit additional interim reports with updates on the planning steps completed towards implementation, including any legislative, administrative, and funding recommendations, annually by January 15 of each year.

The Advisory Committee shall submit a final report on the implementation of this act and its findings and recommendations, including legislative, administrative, and funding recommendations, by January 15, 2023, to the General Assembly and the Governor. The Advisory Committee shall terminate on February 1, 2023, or upon the filing of its final report, whichever occurs earlier.

SECTION 16D.4.(ff) Funding. – The Advisory Committee may apply for, receive, and accept grants of non-State funds or other contributions, as appropriate, to assist in the

performance of its duties. The Division of Juvenile Justice shall use available funds to cover costs incurred by the Advisory Committee when carrying out its duties.

EFFECTIVE DATE

SECTION 16D.4.(gg) Subsections (a) through (n) of this section become effective December 1, 2020, and apply to offenses committed on or after that date. Subsections (o) through (r) and subsection (s) of this section become effective July 1, 2017, and subsections (o) through (r) apply to all complaints filed on or after that date. Except as otherwise provided in this section, the remainder of this section is effective when it becomes law. Prosecutions or delinquency proceedings initiated for offenses committed before any particular subsection of this section becomes effective are not abated or affected by this section and the statutes that are in effect on the dates the offenses are committed remain applicable to those prosecutions.

SUBPART XVI-E. EMERGENCY MANAGEMENT AND NATIONAL GUARD

RECOVERY COSTS OF HAZARDOUS MATERIALS EMERGENCY

SECTION 16E.1.(a) G.S. 166A-27(a) reads as rewritten:

"(a) A person who causes the release of a hazardous material requiring the activation of a regional response team shall be liable for all reasonable costs incurred by the regional response team in responding to and mitigating the ~~incident.~~incident, including fifty percent (50%) of the cost of personnel, equipment, and supplies utilized in response to the incident, if the incident is the result of an accident and one hundred percent (100%) of the cost of personnel, equipment, and supplies utilized in response to the incident, if the incident is a result of negligence or intentional acts. The Secretary shall invoice the person liable for the hazardous materials release, and, in the event of nonpayment, may institute an action to recover those costs in the superior court of the county in which the release occurred."

SECTION 16E.1.(b) This section is effective when it becomes law.

PART XVII. DEPARTMENT OF JUSTICE

NO HIRING OF SWORN STAFF POSITIONS FOR NC STATE CRIME LAB

SECTION 17.1. The Department of Justice shall not hire sworn personnel to fill vacant positions in the North Carolina State Crime Laboratory. Nothing in this section shall be construed to require the termination of sworn personnel or to affect North Carolina State Crime Laboratory personnel who are sworn and employed by the Laboratory as of the effective date of this section and who continue to meet the sworn status retention standards mandated by the North Carolina Criminal Justice Education and Standards Commission.

COMPANY POLICE AUTHORITY

SECTION 17.2.(a) G.S. 74E-6 is amended by adding two new subsections to read:

"(h) Mutual Aid Agreements. – All company police agencies that qualify pursuant to this Chapter may enter into mutual aid agreements with the governing board of a municipality or, with the consent of the county sheriff, a county to the same extent as a municipal police department pursuant to Chapter 160A of the General Statutes.

(i) As-Needed Assistance. – All company police may provide assistance to a law enforcement agency at the request of the head of that agency, such as the sheriff or chief of police, regardless of whether there is an agreement in place under subsection (h) of this section."

SECTION 17.2.(b) This section is effective when it becomes law.

PED TO STUDY ALLOCATION OF ATTORNEYS BETWEEN THE ATTORNEY GENERAL'S OFFICE AND DEPARTMENTS

SECTION 17.3. The Joint Legislative Program Evaluation Oversight Committee shall revise the biennial 2017-2018 work plan for the Program Evaluation Division to include an evaluation of the allocation of attorneys in State Government, including the use of general counsel within State agencies, the use of private attorneys, and the use of attorneys in the Department of Justice. The Program Evaluation Division shall submit its evaluation to the Joint Legislative Program Evaluation Oversight Committee and to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety no later than March 1, 2018.

STRENGTHEN HUMAN TRAFFICKING LAWS

SECTION 17.4.(a) Article 27 of Chapter 14 of the General Statutes is amended by adding a new section to read as follows:

"**§ 14-202.13. Human trafficking public awareness sign.**

An adult establishment, as defined in G.S. 14-202.10, shall prominently display on the premises in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 17.4.(b) G.S. 18B-1003 reads as rewritten:

"**§ 18B-1003. Responsibilities of permittee.**

...

(c1) Posting Human Trafficking Hotline. – All permittees shall prominently display on the premises in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information.

...."

SECTION 17.4.(c) Article 1 of Chapter 19 of the General Statutes is amended by adding a new section to read as follows:

"**§ 19-8.4. Human trafficking public awareness sign.**

The owner, operator, or agent in charge of a business described in G.S. 19-1.2 shall prominently display on the premises in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 17.4.(d) Article 5 of Chapter 131E of the General Statutes is amended by adding a new section to read as follows:

"**§ 131E-84.1. Human trafficking public awareness sign.**

Each hospital licensed under this Article shall prominently display in its emergency room or emergency department in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 17.4.(e) G.S. 143B-348 reads as rewritten:

"**§ 143B-348. Department of Transportation – head; rules, regulations, etc., of Board of Transportation.**

(a) The Secretary of Transportation shall be the head of the Department of Transportation. He shall carry out the day-to-day operations of the Department and shall be responsible for carrying out the policies, programs, priorities, and projects approved by the Board of Transportation. He shall be responsible for all other transportation matters assigned to the Department of Transportation, except those reserved to the Board of Transportation by statute. Except as otherwise provided for by statute, the Secretary shall have all the powers and

duties as provided for in Article 1 of Chapter 143B including the responsibility for all management functions for the Department of Transportation. The Secretary shall be vested with authority to adopt design criteria, construction specifications, and standards as required for the Department of Transportation to construct and maintain highways, bridges, and ferries. The Secretary or the Secretary's designee shall be vested with authority to promulgate rules and regulations concerning all transportation functions assigned to the Department.

(b) All rules, regulations, ordinances, specifications, standards, and criteria adopted by the Board of Transportation and in effect on July 1, 1977, shall continue in effect until changed by the Board of Transportation or the Secretary of Transportation. The Secretary shall have complete authority to modify any of these matters existing on July 1, 1977, except as specifically restricted by the Board. Whenever any such criteria, rule, regulation, ordinance, specification, or standards are continued in effect under this section and the words "Board of Transportation" are used, the words shall mean the "Department of Transportation" unless the context makes such meaning inapplicable. All actions pending in court by or against the Board of Transportation may continue to be prosecuted in that name without the necessity of formally amending the name to the Department of Transportation.

(c) The Secretary of Transportation shall require that every transportation station, rest area, and welcome center in the State prominently display in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 17.4.(f) Article 10 of Chapter 143B of the General Statutes is amended by adding a new section to read as follows:

"**§ 143B-431.3. Human trafficking public awareness sign.**

The Secretary of the Department of Commerce shall require that every JobLink or other center under its authority that offers employment or training services to the public prominently display in a place that is clearly conspicuous and visible to employees and the public a public awareness sign created and provided by the North Carolina Human Trafficking Commission that contains the National Human Trafficking Resource hotline information."

SECTION 17.4.(g) This section is effective when it becomes law.

PART XVIII. JUDICIAL DEPARTMENT

SUBPART XVIII-A. OFFICE OF INDIGENT DEFENSE SERVICES

IDS MATCH FOR GRANTS

SECTION 18A.1. Notwithstanding G.S. 143C-6-9, during the 2017-2019 fiscal biennium, Indigent Defense Services may use the sum of up to fifty thousand dollars ($50,000) from funds available to provide the State matching funds needed to receive grant funds. Prior to using funds for this purpose, Indigent Defense Services shall report to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the grants to be matched using these funds.

PUBLIC DEFENDER WORKLOAD FORMULA

SECTION 18A.2. Indigent Defense Services, in conjunction with the Administrative Office of the Courts and the National Center for State Courts, shall develop a workload formula for the public defender offices. The report shall include the number of public defenders that Indigent Defense Services recommends to be allocated to each public defender office. The report shall be submitted to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety and the chairs of the House of Representatives Appropriations

Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety no later than May 1, 2018.

STANDARDS FOR INDIGENCY

SECTION 18A.3. The Administrative Office of the Courts, in conjunction with Indigent Defense Services, shall study and develop specific statewide standards for determining indigency for defendants. The study shall include a review of the practices of other states regarding determination of indigency, analysis of the cost-effectiveness of alternatives to the status quo, and implementation plans for the standards agreed upon. The standards may take local expenses and cost-of-living into account. The implementation plans should include procedures for auditing future indigency determinations to ensure that the new standards are working as intended. The Administrative Office of the Courts and Indigent Defense Services shall issue a report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety by February 1, 2018.

SUBPART XVIII-B. ADMINISTRATIVE OFFICE OF THE COURTS

COLLECTION OF WORTHLESS CHECKS

SECTION 18B.1. Notwithstanding the provisions of G.S. 7A-308(c), the Judicial Department may use any balance remaining in the Collection of Worthless Checks Fund on June 30, 2017, for the purchase or repair of office or information technology equipment during the 2017-2018 fiscal year and may use any balance remaining in the Collection of Worthless Checks Fund on June 30, 2018, for the purchase or repair of office or information technology equipment during the 2018-2019 fiscal year. Prior to using any funds under this section, the Judicial Department shall report to the chairs of the House of Representatives and Senate Appropriations Committees on Justice and Public Safety and the Office of State Budget and Management on the equipment to be purchased or repaired and the reasons for the purchases.

GRANT FUNDS

SECTION 18B.2. Notwithstanding G.S. 143C-6-9, the Administrative Office of the Courts may use up to the sum of one million five hundred thousand dollars ($1,500,000) in each year of the 2017-2019 fiscal biennium from funds available to the Department to provide the State match needed in order to receive grant funds. Prior to using funds for this purpose, the Department shall submit a report to the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety on the grants to be matched using these funds.

THIRD-PARTY ACCESS TO COURT RECORDS ANNUAL REPORT

SECTION 18B.3.(a) G.S. 7A-109(e) reads as rewritten:

"**§ 7A-109. Record-keeping procedures.**

...

(e) If any contracts entered into under ~~G.S. 7A-109(d)~~subsection (d) of this section are in effect during any calendar year, the Director of the Administrative Office of the Courts shall submit to the ~~Joint Legislative Commission on Governmental Operations~~House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety not later than February 1 of the following year a report on all those contracts."

SECTION 18B.3.(b) This section is effective when it becomes law.

BUSINESS COURT REPORTS

SECTION 18B.4.(a) G.S. 7A-45.5 is repealed.

SECTION 18B.4.(b) G.S. 7A-343(8a) reads as rewritten:

"(8a) Prepare and submit a semiannual report on the activities of each North Carolina business court site to the Chief ~~Justice~~ Justice, the chairs of the House of Representatives Appropriations Committee on Justice and Public Safety and the Senate Appropriations Committee on Justice and Public Safety, the chairs of the of the Joint Legislative Oversight Committee on Justice and Public Safety, and ~~to each member~~ all other members of the General ~~Assembly.~~Assembly on February 1 and August 1. The ~~semiannual report required under this subdivision shall be separate from the report required under subdivision (8) of this section and shall include the total number of civil cases pending in each business court site over three years after being designated as a mandatory complex business case, motions pending over six months after being filed, and civil cases in which bench trials have been concluded for over six months without entry of judgment, including any accompanying explanation provided by the Business Court.~~report shall include the following information for each business court site:

a. The number of new, closed, and pending cases for the previous three years.

b. The average age of pending cases.

c. The number of motions pending over six months after being filed.

d. The number of cases in which bench trials have been concluded for over six months without entry of judgment, including any accompanying explanation provided by the Business Court.

The August 1 report shall include an accounting of all business court activities for the previous fiscal year, including the itemized annual expenditures."

SECTION 18B.4.(c) This section is effective when it becomes law.

DIGITAL FORENSICS INCLUDED IN COURT COSTS

SECTION 18B.5.(a) G.S. 7A-304(a) reads as rewritten:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected. No costs may be assessed when a case is dismissed. Only upon entry of a written order, supported by findings of fact and conclusions of law, determining that there is just cause, the court may (i) waive costs assessed under this section or (ii) waive or reduce costs assessed under subdivision (7), (8), (8a), (11), (12), or (13) of this section.

...

(9a) For the services of the North Carolina State Crime Laboratory facilities, the district or superior court judge shall, upon conviction, order payment of the sum of six hundred dollars ($600.00) to be remitted to the Department of Justice to be used for laboratory purposes. This cost shall be assessed only in cases in which, as part of the investigation leading to the defendant's conviction, the laboratories have performed digital forensics, including the seizure, forensic imaging, and acquisition and analysis of digital media.

(9b) For the services of any crime laboratory facility operated by a local government or group of local governments, the district or superior court judge shall, upon conviction, order payment of the sum of six hundred dollars ($600.00) to be remitted to the general fund of the local law enforcement unit to be used for laboratory purposes. The cost shall be

assessed only in (i) cases in which, as part of the investigation leading to the defendant's conviction, the laboratory has performed digital forensics, including the seizure, forensic imaging, and acquisition and analysis of digital media, and (ii) if the court finds that the work performed at the local government's laboratory is the equivalent of the same kind of work performed by the North Carolina State Crime Laboratory under subdivision (9a) of this subsection.

...

(11) For the services of an expert witness employed by the North Carolina State Crime Laboratory who completes a chemical analysis pursuant to ~~G.S. 20-139.1 or a~~G.S. 20-139.1, a forensic analysis pursuant to ~~G.S. 8-58.20~~G.S. 8-58.20, or a digital forensics analysis and provides testimony about that analysis in a defendant's trial, the district or superior court judge shall, upon conviction of the defendant, order payment of the sum of six hundred dollars ($600.00) to be remitted to the Department of Justice for support of the State Crime Laboratory. This cost shall be assessed only in cases in which the expert witness provides testimony about the chemical or forensic analysis in the defendant's trial and shall be in addition to any cost assessed under subdivision (7) or (9a) of this subsection.

(12) For the services of an expert witness employed by a crime laboratory operated by a local government or group of local governments who completes a chemical analysis pursuant to ~~G.S. 20-139.1 or a~~G.S. 20-139.1, a forensic analysis pursuant to ~~G.S. 8-58.20~~G.S. 8-58.20, or a digital forensics analysis and provides testimony about that analysis in a defendant's trial, the district or superior court judge shall, upon conviction of the defendant, order payment of the sum of six hundred dollars ($600.00) to be remitted to the general fund of the local governmental unit that operates the laboratory to be used for the local law ~~enforcement.~~enforcement laboratory. This cost shall be assessed only in cases in which the expert witness provides testimony about the chemical or forensic analysis in the defendant's trial and shall be in addition to any cost assessed under subdivision (8) or (9b) of this subsection.

...."

SECTION 18B.5.(b) This section is effective when it becomes law.

FEE WAIVER

SECTION 18B.6. G.S. 7A-304(a) reads as rewritten:

"(a) In every criminal case in the superior or district court, wherein the defendant is convicted, or enters a plea of guilty or nolo contendere, or when costs are assessed against the prosecuting witness, the following costs shall be assessed and collected. No costs may be assessed when a case is dismissed. Only upon entry of a written order, supported by findings of fact and conclusions of law, determining that there is just cause, the court may (i) waive costs assessed under this section or (ii) waive or reduce costs assessed under subdivision (7), (8), (8a), (11), (12), or (13) of this section. No court may waive or remit all or part of any court fines or costs without providing notice and opportunity to be heard by all government entities affected. The court shall provide notice to the government entities affected of (i) the date and time of the hearing and (ii) the right to be heard and make an objection to the remission or waiver of all or part of the order of court costs at least 15 days prior to hearing. Notice shall be made to the government entities affected by first-class mail to the address provided for receipt of court costs paid pursuant to the order.

...."

ELIMINATE EMERGENCY RECALL JUDGES

SECTION 18B.7.(a) The following statutes are repealed: G.S. 7A-39.1, 7A-39.3, 7A-39.5, 7A-39.6, 7A-39.7, 7A-39.8, 7A-39.9, 7A-39.10, 7A-39.13, 7A-39.14, 7A-39.15, and 7A-45.2.

SECTION 18B.7.(b) G.S. 7A-48 reads as rewritten:

"**§ 7A-48. Jurisdiction of emergency judges.**

Emergency special superior court judges have the same power and authority in all matters ~~whatsoever,~~whatsoever in the ~~courts~~ complex business cases which they are ~~assigned to hold,~~assigned to hear and decide that regular ~~judges holding the same courts~~ special superior court judges designated to hear and decide complex business cases would have. An emergency special superior court judge duly assigned to ~~hold the courts of~~ hear and decide complex business cases in a county or district or set of districts as defined in G.S. 7A-41.1(a) has the same powers in that county and district or set of districts in open court and in chambers ~~as~~that a ~~resident~~regular special superior court judge of the district or set of districts ~~or any judge regularly~~ assigned to ~~hold the~~hear and decide complex business cases in the courts of the district or set of districts would have, but his jurisdiction in chambers extends only until the session is adjourned or the session expires by operation of law, whichever is later."

SECTION 18B.7.(c) The title of Article 8 of Chapter 7A of the General Statutes and G.S. 7A-50 read as rewritten:

"Article 8.

"Retirement of Judges of the Superior Court; Retirement Compensation for Superior Court Judges; Recall to Emergency Service of Special Superior Court Judges ~~of the District and Superior Court;~~ Designated to Hear and Decide Complex Business Cases; Disability Retirement for Judges of the Superior Court.

"**§ 7A-50. Emergency judge defined.**

As used in this Article "emergency judge" means any special superior court judge ~~of the superior court~~ who has retired subject to recall to active service for temporary ~~duty.~~duty as assigned to hear and decide complex business court cases."

SECTION 18B.7.(d) G.S. 7A-52 reads as rewritten:

"**§ 7A-52. Retired ~~district and~~ special superior court judges designated to hear and decide complex business cases may become emergency judges subject to recall to active service; compensation for emergency judges on recall.**

(a) ~~Judges of the district court and judges of the superior court~~Special superior court judges designated to hear and decide complex business court cases who have not reached the mandatory retirement age specified in G.S. 7A-4.20, but who have retired under the provisions of G.S. 7A-51, or under the Uniform Judicial Retirement Act after having completed five years of creditable service, may apply as provided in G.S. 7A-53 to become emergency ~~judges of the court from which they retired.~~judges. The Chief Justice of the Supreme Court may order any emergency judge ~~of the district or superior court~~ who, in his opinion, is competent to perform the duties of a special superior court judge ~~of the court from which such judge retired,~~designated to hear and decide complex business cases to hold regular or special sessions ~~of such court,~~to hear and decide such cases, as needed. Order of assignment shall be in writing and entered upon the minutes of the court to which such emergency judge is assigned.

(a1) An emergency judge ~~of the superior court~~ may be recalled to active service by the Chief Justice and assigned to hear and decide complex business cases if, at the time of the judge's retirement, all of the following conditions are met:

(1) The judge is a special superior court judge who is retiring from a term to which the judge was appointed pursuant to G.S. 7A-45.1.

(2) The judge is retiring from a term for which the judge was assigned by the Chief Justice to hear and decide complex business cases as a business court judge pursuant to G.S. 7A-45.3.

(3) The judge's nomination to serve a successive term in the same office is pending before the General Assembly, or was not acted upon by the General Assembly prior to adjournment sine die.

(4) If confirmed and appointed to the successive term of office for which nominated, the judge would reach mandatory retirement age before completing that term of office.

An emergency judge assigned to hear and decide complex business cases pursuant to this subsection shall be designated by the Chief Justice as a senior business court judge and shall be eligible to serve in that capacity for five years from the issuance date of the judge's commission under G.S. 7A-53 or until the judge's commission expires, whichever occurs first. Order of assignment shall be in writing and entered upon the minutes of the court to which such emergency judge is assigned.

(b) In addition to the compensation or retirement allowance the judge would otherwise be entitled to receive by law, each emergency judge ~~of the district or superior court~~ who is assigned to temporary active service by the Chief Justice shall be paid by the State the judge's actual expenses, plus four hundred dollars ($400.00) for each day of active service rendered upon recall, and each emergency judge designated as a senior business court judge pursuant to subsection (a1) of this section shall be paid by the State the judge's actual expenses, plus five hundred dollars ($500.00) for each day of active service rendered upon recall as a senior business court judge. No day of active service rendered by an emergency judge pursuant to assignment under subsection (a) of this section shall overlap with a day of active service rendered pursuant to assignment under subsection (a1) of this section. No recalled retired trial judge shall receive from the State total annual compensation for judicial services in excess of that received by an active judge of the bench to which the judge is recalled."

SECTION 18B.7.(e) G.S. 7A-53 reads as rewritten:

"**§ 7A-53. Application to the Governor; commission as emergency judge.**

No retired ~~judge of the district or the superior court~~ special superior court judge authorized by G.S. 7A-45.1 to hear and decide complex business cases may become an emergency judge except upon his written application to the Governor certifying his desire and ability to serve as an emergency judge. If the Governor is satisfied that the applicant qualifies under G.S. 7A-52(a) to become an emergency judge and that he is physically and mentally able to perform the official duties of an emergency judge, he shall issue to such applicant a commission as an emergency ~~judge of the court from which he retired.~~ special superior court judge. The commission shall be effective upon the date of its issue and shall terminate when the judge to whom it is issued reaches the maximum age for judicial service under G.S. 7A-4.20(a)."

SECTION 18B.7.(f) G.S. 7A-374.2 reads as rewritten:

"**§ 7A-374.2. Definitions.**

Unless the context clearly requires otherwise, the definitions in this section shall apply throughout this Article:

...

(5) "Judge" means any justice or judge of the General Court of Justice of North Carolina, including any retired ~~justice or~~special superior court judge who is recalled for service as an emergency judge ~~of any division of the General Court of Justice.~~pursuant to G.S. 7A-53.

...."

SECTION 18B.7.(g) G.S. 7A-376(c) reads as rewritten:

"(c) Upon recommendation of the Commission, the Supreme Court may suspend, for a period of time the Supreme Court deems necessary, any judge for temporary physical or mental incapacity interfering with the performance of the judge's duties, and may remove any judge for physical or mental incapacity interfering with the performance of the judge's duties which is, or is likely to become, permanent. A judge who is suspended for temporary incapacity shall continue to receive compensation during the period of the suspension. A judge removed for mental or physical incapacity is entitled to retirement compensation if the judge has accumulated the years of creditable service required for incapacity or disability retirement under any provision of State law, but he shall not sit as an emergency ~~justice or~~special superior court judge."

SECTION 18B.7.(h) G.S. 90-21.62(b) is repealed.

SECTION 18B.7.(i) G.S. 115C-431 reads as rewritten:

"**§ 115C-431. Procedure for resolution of dispute between board of education and board of county commissioners.**

...

(c) Within five days after an announcement of no agreement by the mediator, the local board of education may file an action in the superior court division of the General Court of Justice. Either board has the right to have the issues of fact tried by a jury. When a jury trial is demanded, the cause shall be set for the first succeeding term of the superior court in the county, and shall take precedence over all other business of the court. However, if the judge presiding certifies to the Chief Justice of the Supreme Court, either before or during the term, that because of the accumulation of other business, the public interest will be best served by not trying the cause at the term next succeeding the filing of the action, the Chief Justice shall immediately call a special term of the superior court for the county, to convene as soon as possible, and assign a judge of the superior court ~~or an emergency judge~~ to hold the court, and the cause shall be tried at this special term. The judge shall find, or if the issue is submitted to the jury, the jury shall find the facts as to the following in order to maintain a system of free public schools as defined by State law and State Board of Education policy: (i) the amount of money legally necessary from all sources and (ii) the amount of money legally necessary from the board of county commissioners. In making the finding, the judge or the jury shall consider the educational goals and policies of the State and the local board of education, the budgetary request of the local board of education, the financial resources of the county and the local board of education, and the fiscal policies of the board of county commissioners and the local board of education.

All findings of fact in the superior court, whether found by the judge or a jury, shall be conclusive. When the facts have been found, the court shall give judgment ordering the board of county commissioners to appropriate a sum certain to the local school administrative unit, and to levy such taxes on property as may be necessary to make up this sum when added to other revenues available for the purpose.

...."

SECTION 18B.7.(j) G.S. 135-71(c) reads as rewritten:

"(c) Notwithstanding any other provision in this Chapter, the retirement allowance of a justice or judge shall not be affected by the compensation received as an emergency ~~justice or~~ judge or as a senior business court judge."

SECTION 18B.7.(k) Prior to February 1, 2018, the Administrative Office of the Courts shall report in writing to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety on any need for additional elected district court judge positions or superior court judge positions created by the elimination of emergency judges pursuant to this section.

SECTION 18B.7.(*l*) This section is effective when it becomes law.

SUPREME COURT BICENTENNIAL CELEBRATION

SECTION 18B.8. Notwithstanding G.S. 7A-10(a), in honor of the court's bicentennial celebration, the court may, by rule, hold sessions in any location across the State. This section only applies to the calendar years 2018 through 2020.

ALLOCATION OF ASSISTANT DISTRICT ATTORNEYS

SECTION 18B.9.(a) G.S. 7A-60 reads as rewritten:

"**§ 7A-60. ~~District attorneys and prosecutorial districts.~~Prosecutorial districts.**

...

(a1) The counties of the State are organized into prosecutorial districts, and each district has the counties ~~and the number of full-time assistant district attorneys~~ set forth in the following table:

Prosecutorial District	Counties	~~No. of Full-Time Asst. District Attorneys~~
1	Camden, Chowan, Currituck, Dare, Gates, Pasquotank, Perquimans	~~11~~
2	Beaufort, Hyde, Martin, Tyrrell, Washington	~~8~~
3A	Pitt	~~11~~
3B	Carteret, Craven, Pamlico	~~12~~
4	Duplin, Jones, Onslow, Sampson	~~18~~
5	New Hanover, Pender	~~18~~
6	Bertie, Halifax, Hertford, Northampton	~~10~~
7	Edgecombe, Nash, Wilson	~~18~~
8	Greene, Lenoir, Wayne	~~14~~
9	Franklin, Granville, Vance, Warren	~~10~~
9A	Person, Caswell	~~6~~
10	Wake	~~41~~
11A	Harnett, Lee	~~9~~
11B	Johnston	~~10~~
12	Cumberland	~~23~~
13	Bladen, Brunswick, Columbus	~~13~~
14	Durham	~~18~~
15A	Alamance	~~11~~
15B	Orange, Chatham	~~10~~
16A	Scotland, Hoke	~~7~~
16B	Robeson	~~12~~
16C	Anson, Richmond	~~6~~
17A	Rockingham	~~7~~
17B	Stokes, Surry	~~8~~
18	Guilford	~~32~~
19A	Cabarrus	~~9~~
19B	Montgomery, Randolph	~~9~~
19C	Rowan	~~8~~
19D	Moore	~~5~~
20A		~~5~~

	Stanly	
20B	Union	~~10~~
21	Forsyth	~~25~~
22A	Alexander, Iredell	~~11~~
22B	Davidson, Davie	~~11~~
23	Alleghany, Ashe, Wilkes, Yadkin	~~8~~
24	Avery, Madison, Mitchell, Watauga, Yancey	~~7~~
25	Burke, Caldwell, Catawba	~~18~~
26	Mecklenburg	~~58~~
27A	Gaston	~~14~~
27B	Cleveland, Lincoln	~~11~~
28	Buncombe	~~14~~
29A	McDowell, Rutherford	~~7~~
29B	Henderson, Polk, Transylvania	~~8~~
30	Cherokee, Clay, Graham, Haywood, Jackson, Macon, Swain.	~~10~~

(a2) ~~Upon the convening of each regular session of the General Assembly and its reconvening in the even-numbered year, the~~ The Administrative Office of the Courts shall report by March 15 of each year on its ~~recommendations regarding the~~ allocation of assistant district attorneys for the upcoming fiscal biennium and fiscal year to the General Assembly, including any request for additional assistant district attorneys. The report shall include the number of assistant district attorneys that the Administrative Office of the Courts ~~recommends to be~~ has allocated to each prosecutorial district and the workload formula established through the National Center for State Courts on which each ~~recommended~~ allocation is based. Any reports required under this subsection shall be made to ~~the Joint Legislative Commission of Governmental Operations,~~ the House of Representatives and Senate Appropriations ~~Subcommittees~~ Committees on Justice and ~~Public,~~ Public Safety and the Fiscal Research Division.

...."

SECTION 18B.9.(b) G.S. 7A-63 reads as rewritten:

"**§ 7A-63. Assistant district attorneys.**

Each district attorney shall be entitled to the number of full-time assistant district attorneys ~~set out in this Subchapter, such number to be developed by the General Assembly~~ allocated to that prosecutorial district by the Administrative Office of the Courts after consulting the workload formula established through the National Center for State Courts, to be appointed by the district attorney, to serve at the district attorney's pleasure. A vacancy in the office of assistant district attorney shall be filled in the same manner as the initial appointment. An assistant district attorney shall take the same oath of office as the district attorney, and shall perform such duties as may be assigned by the district attorney. The district attorney shall devote full time to the duties of the office and shall not engage in the private practice of law during his or her term."

SECTION 18B.9.(c) The Administrative Office of the Courts, in conjunction with the National Center for State Courts and the Conference of District Attorneys, shall revisit the workload formula used to determine the allocation of assistant district attorneys under G.S. 7A-60 and determine whether any adjustments should be made to the formula. The Administrative Office of the Courts shall report by May 1, 2018, to the chairs of the Joint Legislative Committee on Justice and Public Safety and the chairs of House of Representatives

INSURANCE REGULATORY CHARGE

SECTION 22.1. The percentage rate to be used in calculating the insurance regulatory charge under G.S. 58-6-25 is six and one-half percent (6.5%) for the 2018 calendar year.

PART XXIII. STATE BOARD OF ELECTIONS [RESERVED]

PART XXIV.GENERAL ASSEMBLY

PED STUDY/MEASURABILITY ASSESSMENT OF DEPARTMENT OF ADMINISTRATION ADMINISTRATIVE ACTIVITIES AND PROGRAMS

SECTION 24.1. The Program Evaluation Division (hereinafter "Division") is directed to conduct measurability assessments, as provided in Chapter 143E of the General Statutes, and efficiency evaluations of programs and administrative activities of the Department of Administration (hereinafter "Department") to improve Department accountability reporting and to recommend potential cost-savings. Prior to conducting measurability assessments and efficiency evaluations, the Division shall consult with the State Auditor, who shall recommend potential programs or potentially high-cost Department activities that, with changes, may produce cost-savings. Taking into account the recommendations of the State Auditor and the results of the measurability assessments, the Division may select a contractor through a noncompetitive bid process to assist the Division in identifying potential cost-savings. The State Auditor shall review draft findings and recommendations and shall provide a written response to be included in the Division's report. By March 30, 2018, the Division shall report its findings and recommendations to the Joint Legislative Program Evaluation Oversight Committee, Joint Legislative Education Oversight Committee, and Joint Legislative Oversight Committee on General Government and, upon request, to other committees.

PROTECTION OF MILITARY OPERATIONS

SECTION 24.2.(a) Definitions. – The definitions set forth in Article 21C of Chapter 143 of the General Statutes apply throughout this section.

SECTION 24.2.(b) Moratorium Established. – There is hereby established a moratorium on consideration of applications for a permit and on the issuance of permits for wind energy facilities and wind energy facility expansions in this State. The purpose of this moratorium is to allow the General Assembly ample time to study the extent and scope of military operations in the State as directed in subsection (d) of this section and to consider the impact of future wind energy facilities and energy infrastructure on military operations, training, and readiness. Neither the Department of Environmental Quality nor the Coastal Resources Commission shall consider a permit application nor issue a permit for a wind energy facility or wind energy facility expansion for the period beginning January 1, 2017, and ending December 31, 2020.

SECTION 24.2.(c) Exception. – The moratorium established by subsection (b) of this section shall not prohibit the consideration of an application or the issuance of a permit for a wind energy facility or wind energy facility expansion for either of the following:

(1) Those facilities or facility expansions that received a written "Determination of No Hazard to Air Navigation" issued by the Federal Aviation Administration on or before May 17, 2013.

(2) If the applicant can show that a completed application, prepared in accordance with the requirements set out in G.S. 143-215.119(a), was submitted to the Department or the Commission on or before January 1, 2017.

SECTION 24.2.(d) Study. – The General Assembly shall study the extent and scope of military operations in the State in order to create a suite of maps and other relevant data and documentation that shall be employed to communicate the temporal and spatial use of land-, air-, and water-based military operations. Upon completion, the suite of maps and other relevant data and documentation may be utilized to identify areas of the State, both onshore and offshore, where energy infrastructure and development pose a threat to, encroach upon, or otherwise reduce operations, training capabilities, or readiness. The Legislative Services Officer shall issue a request for proposals for (i) the collection of geospatial and other relevant data for land-, air-, and water-based military operations in the State and (ii) the creation of a suite of maps and other relevant data and documentation that can be used to communicate the temporal and spatial use of land-, air-, and water-based military operations in the State. In the conduct of the study, the selected contractor shall consult with the base commander, or the base commander's designee, of each major military installation in the State, United States Department of Defense officials, retired military personnel with relevant and applicable knowledge of training and operations in this State, the Military Affairs Commission, and any other person, agency, or organization that may able to define the footprint of military operations in this State and identify, communicate, and relate the data necessary to prepare a comprehensive suite of maps and other relevant data and documentation that illustrate temporal and spatial use of land-, air-, and water-based military operations in the State.

SECTION 24.2.(e) Time Line. – The study directed by subsection (d) of this section shall adhere to the following time line:

(1) The request for proposals (RFP) shall be issued on or before December 31, 2017.

(2) A contract to award the RFP shall be executed on or before June 30, 2018.

(3) The study, including the preparation of the suite of maps and other relevant data and documentation that illustrate temporal and spatial use of land-, air-, and water-based military operations in the State, findings, and recommendations, if any, shall be completed and submitted to the Legislative Services Officer on or before June 30, 2019, in order to inform the development of policies pertaining to the protection and preservation of major military installations during the 2019-2020 General Assembly.

PART XXV. OFFICE OF THE GOVERNOR [RESERVED]

PART XXVI. OFFICE OF STATE BUDGET AND MANAGEMENT

MODIFICATIONS TO PREVIOUS OSBM SPECIAL APPROPRIATIONS

SECTION 26.1.(a) Notwithstanding any provision of S.L. 2016-94, or of the Committee Report described in Section 39.2 of that act, to the contrary:

(1) The sum of one hundred thousand dollars ($100,000) in nonrecurring funds for the 2016-2107 fiscal year appropriated in that act as a grant-in-aid to the Macon County Community Funding Pool shall instead be appropriated to Macon County to be used for community purposes. G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1) shall not apply to the funds described in this subdivision.

(2) The sum of fifty thousand dollars ($50,000) in nonrecurring funds for the 2016-2017 fiscal year appropriated in that act as a grant-in-aid to Watauga County for tourism and development for New River access points shall instead be used for the Guy Ford Road canoe access on the Watauga River. G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1) shall not apply to the funds described in this subdivision.

(3) The sum of five million dollars ($5,000,000) in nonrecurring funds for the 2016-2017 fiscal year appropriated in that act to Onslow County to retrofit and purchase equipment for a regional career and technical education center may be used to fund the construction of a new education center. G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1) shall not apply to the funds described in this subdivision.

(4) The sum of three hundred thousand dollars ($300,000) in nonrecurring funds appropriated in that act to the Andrew Jackson Historical Foundation, Inc., to renovate the Museum of the Waxhaws is not subject to G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1).

(5) The sum of fifty thousand dollars ($50,000) in nonrecurring funds appropriated in that act as a grant-in-aid to the Randolph-Asheboro YMCA is not subject to G.S. 143C-1-2(b) and G.S. 143C-6-23(f1)(1).

SECTION 26.1.(b) This section becomes effective June 30, 2017.

PART XXVII. STATE AUDITOR [RESERVED]

PART XXVIII. HOUSING FINANCE AGENCY

HFA/WORKFORCE HOUSING LOAN PROGRAM ESTABLISHED

SECTION 28.1. Chapter 122A of the General Statutes is amended by adding a new section to read as follows:

"**§ 122A-5.15. Workforce Housing Loan Program.**

(a) The North Carolina Housing Finance Agency shall establish and administer the Workforce Housing Loan Program for the purpose of making loans for qualified low-income housing development in the State. Funds appropriated to the North Carolina Housing Trust Fund for the Workforce Housing Loan Program shall be used by the Agency only as provided in this section.

(b) The following definitions apply in this section:

(1) Code. – As defined in G.S. 105-228.90.

(2) Qualified North Carolina low-income housing development. – A qualified low-income project or building that is allocated a federal tax credit under section 42(h)(1) of the Code.

(3) Qualified residential unit. – A housing unit that meets the requirements of section 42 of the Code.

(c) A taxpayer allocated a federal low-income housing tax credit under section 42 of the Code to construct or substantially rehabilitate a qualified North Carolina low-income housing development is eligible for a loan under the Workforce Housing Loan Program if the taxpayer satisfies the loan criteria established by the Agency. The loan criteria shall support the financing of similar types of developments as provided in G.S. 105-129.42 and shall be developed in partnership with developers of low-income housing in the State who receive a federal low-income housing tax credit under section 42 of the Code. The Agency shall take into consideration all eligible sources of funding for each development project, including whether there are other eligible sources of funding available for the development project. Loans may be made for multiple development projects in a county, but the total loan amount shall not exceed five hundred thousand dollars ($500,000) per county in each fiscal year.

(d) By February 1 of each year, the Agency shall report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the number of loans made under this section, the amount of each loan, and whether the low-income housing development is located in a low-, moderate-, or high-income county, as designated by the Agency."

PART XXIX. DEPARTMENT OF THE SECRETARY OF STATE [RESERVED]

PART XXX. OFFICE OF LT. GOVERNOR [RESERVED]

PART XXXI. DEPARTMENT OF ADMINISTRATION

TRANSFER THE HUMAN RELATIONS COMMISSION

SECTION 31.1.(a) The North Carolina Human Relations Commission is hereby transferred from the Department of Administration to the Civil Rights Division of the Office of Administrative Hearings. This transfer shall have all of the elements of a Type I transfer, as described in G.S. 143A-6.

SECTION 31.1.(b) The Office of State Budget and Management, the Office of Administrative Hearings, and the Department of Administration shall work together to identify unexpended and unencumbered funds from the 2016-2017 fiscal year to pay for one-time start-up costs, including office space retrofitting, directly associated with the transfer.

SECTION 31.1.(c) Article 60 of Chapter 7A of the General Statutes is amended by adding a new section, G.S. 7A-761, entitled "North Carolina Human Relations Commission," and (i) G.S. 143B-391 is recodified as subsection (a) of G.S. 7A-761, and (ii) subsections (a) through (d) of G.S. 143B-392 are recodified as subsections (b) through (e) of G.S. 7A-761.

SECTION 31.1.(d) G.S. 7A-761, as enacted by subsection (c) of this section, reads as rewritten:

"**§ 7A-761. North Carolina Human Relations Commission.**

(a) There is hereby created the North Carolina Human Relations Commission of the ~~Department of Administration.~~Civil Rights Division of the Office of Administrative Hearings. The North Carolina Human Relations Commission shall have the following functions and duties:

(1) To study problems concerning human relations;
(2) To promote equality of opportunity for all citizens;
(3) To promote understanding, respect, and goodwill among all citizens;
(4) To provide channels of communication among the races;
(5) To encourage the employment of qualified people without regard to race;
(6) To encourage youths to become better trained and qualified for employment;
(7) To receive on behalf of the ~~Department of Administration~~Civil Rights Division of the Office of Administrative Hearings and to recommend expenditure of gifts and grants from public and private donors;
(8) To enlist the cooperation and assistance of all State and local government officials in the attainment of the objectives of the Commission;
(9) To assist local good neighborhood councils and biracial human relations committees in promoting activities related to the functions of the Commission enumerated above;
(10) To advise the ~~Secretary of Administration~~Chief Administrative Law Judge upon any matter the ~~Secretary~~ Chief Administrative Law Judge may refer to it;
(11) To administer the provisions of the State Fair Housing Act as outlined in Chapter 41A of the General Statutes;
(12) To administer the provisions of Chapter 99D of the General Statutes.

(b) The Human Relations Commission of the ~~Department of Administration~~Civil Rights Division of the Office of Administrative Hearings shall consist of 22 members. The Governor shall appoint one member from each of the 13 congressional districts, plus five members at large, including the chairperson. The Speaker of the North Carolina House of Representatives

shall appoint two members to the Commission. The President Pro Tempore of the Senate shall appoint two members to the Commission. The terms of four of the members appointed by the Governor shall expire June 30, 1988. The terms of four of the members appointed by the Governor shall expire June 30, 1987. The terms of four of the members appointed by the Governor shall expire June 30, 1986. The terms of four of the members appointed by the Governor shall expire June 30, 1985. The terms of the members appointed by the Speaker of the North Carolina House of Representatives shall expire June 30, 1986. The terms of the members appointed by the Lieutenant Governor shall expire June 30, 1986. The initial term of office of the person appointed to represent the 12th Congressional District shall commence on January 3, 1993, and expire on June 30, 1996. At the end of the respective terms of office of the initial members of the Commission, the appointment of their successors shall be for terms of four years. No member of the commission shall serve more than two consecutive terms. A member having served two consecutive terms shall be eligible for reappointment one year after the expiration of his second term. Any appointment to fill a vacancy on the Commission created by the resignation, dismissal, death, or disability of a member shall be filled in the manner of the original appointment for the unexpired term.

(c) Members of the Commission shall receive per diem and necessary travel and subsistence expenses in accordance with the provisions of G.S. 138-5.

(d) A majority of the Commission shall constitute a quorum for the transaction of business.

(e) All clerical and support services required by the Commission shall be supplied by the ~~Secretary of the Department of Administration.~~Office of Administrative Hearings."

SECTION 31.1.(e) G.S. 143-422.3 reads as rewritten:

"**§ 143-422.3. Investigations; conciliations.**

The Human Relations Commission in the ~~Department of Administration~~ Civil Rights Division of the Office of Administrative Hearings shall have the authority to receive charges of discrimination from the Equal Employment Opportunity Commission pursuant to an agreement under Section 709(b) of Public Law 88-352, as amended by Public Law 92-261, and investigate and conciliate charges of discrimination. Throughout this process, the agency shall use its good offices to effect an amicable resolution of the charges of discrimination."

SECTION 31.1.(f) G.S. 143-422.13 reads as rewritten:

"**§ 143-422.13. Investigations; conciliations.**

The Human Relations Commission in the ~~Department of Administration~~Civil Rights Division of the Office of Administrative Hearings shall have the authority to receive, investigate, and conciliate complaints of discrimination in public accommodations. Throughout this process, the Human Relations Commission shall use its good offices to effect an amicable resolution of the complaints of discrimination. This Article does not create, and shall not be construed to create or support, a statutory or common law private right of action, and no person may bring any civil action based upon the public policy expressed herein."

COUNCIL FOR WOMEN/DOMESTIC VIOLENCE GRANTS

SECTION 31.2. G.S. 50B-9 reads as rewritten:

"**§ 50B-9. Domestic Violence Center Fund.**

(a) The Domestic Violence Center Fund is established within the State Treasury. The fund shall be administered by the Department of Administration, North Carolina Council for Women, and shall be used to make grants to centers for victims of domestic violence and to The North Carolina Coalition Against Domestic Violence, Inc. This fund shall be administered in accordance with the provisions of the Executive Budget Act. The Department of Administration shall make quarterly grants to each eligible domestic violence center and to The North Carolina Coalition Against Domestic Violence, Inc. Effective July 1, 2017, and each fiscal year thereafter, the Department of Administration shall disburse the first quarterly grants

from the fund within 15 days of the date the Current Operations Appropriations Act, as defined in G.S. 143C-1-1, is certified for that fiscal year.

(b) Each grant recipient shall receive the same amount. To be eligible to receive funds under this section, a domestic violence center must meet the following requirements:

(1) It shall have been in operation on the preceding July 1 and shall continue to be in operation.

(2) It shall offer all of the following services: a hotline, transportation services, community education programs, daytime services, and call forwarding during the night and it shall fulfill other criteria established by the Department of Administration.

(3) It shall be a nonprofit corporation or a local governmental entity."

DOA/COST TO AGENCIES TO MAINTAIN AND OPERATE MOTOR FLEET

SECTION 31.3.(a) On January 1, 2018, the Department of Administration (hereinafter "Department") shall increase the amount allocated and charged to State agencies to which transportation is furnished as authorized by G.S. 143-341(8)i.6. For calendar year 2018, the Department shall, from funds available to it, subsidize the amount of the increase allocated and charged to State agencies. Beginning January 1, 2019, State agencies shall, from the funds available to them, pay the full amount allocated and charged for transportation furnished by the Department and the Department shall not subsidize any part of the amount allocated and charged. On June 30, 2018, the Department shall transfer to the motor fleet fund any unexpended and unencumbered funds from the General Fund to help offset deficiencies in the motor fleet fund that resulted from subsidizing the increase to State agencies.

SECTION 31.3.(b) The Department and Motor Fleet Management Division shall consult with each State agency to which transportation is provided to determine the types and sizes of vehicles needed by the agency and shall aid the agency in making adjustments to the size of its fleet to achieve maximum cost efficiency.

SECTION 31.3.(c) The Department shall determine the amount required by each agency to cover the cost of the increase in the amount allocated and charged for transportation for fiscal biennium 2019-2021. Notwithstanding the provisions of Chapter 143C (State Budget Act) of the General Statutes, the Office of State Budget and Management shall include the increase in the amount allocated and charged for transportation in the base budget for each State agency for fiscal biennium 2019-2021.

SECTION 31.3.(d) G.S. 143-341 reads as rewritten:

"**§ 143-341. Powers and duties of Department.**

The Department of Administration has the following powers and duties:

...

(8) General Services:

...

i. To establish and operate a central motor fleet and such subsidiary related facilities as the Secretary may deem necessary, and to that end:

...

6. To allocate and charge against each State agency to which transportation is ~~furnished, on a basis of mileage or of rental,~~furnished its proportionate part of the cost of maintenance and operation of the motor fleet.

The amount allocated and charged by the Department of Administration to State agencies to which transportation is furnished shall ~~be at least as follows:~~take into account all of the following: (i) vehicle replacement cost, (ii) maintenance

cost, (iii) insurance, (iv) use of telematics devices, and (v) the Department's administration cost.

~~I. Pursuit vehicles and full size four-wheel drive vehicles $.24/mile.~~

~~II. Vans and compact four-wheel drive vehicles $.22/mile.~~

~~III. All other vehicles $.20/mile.~~

...."

SECTION 31.3.(e) Subsection (d) of this act becomes effective January 1, 2018. The remainder of this section is effective when this act becomes law.

PART XXXII. DEPARTMENT OF REVENUE [RESERVED]

PART XXXIII. OFFICE OF STATE CONTROLLER

OVERPAYMENTS AUDIT

SECTION 33.1.(a) During the 2017-2019 fiscal biennium, receipts generated by the collection of inadvertent overpayments by State agencies to vendors as a result of pricing errors, neglected rebates and discounts, miscalculated freight charges, unclaimed refunds, erroneously paid excise taxes, and related errors shall be deposited in Special Reserve Account 24172 as required by G.S. 147-86.22(c).

SECTION 33.1.(b) Of the funds appropriated in this act from the Special Reserve Account 24172, and for each year of the 2017-2019 fiscal biennium, five hundred thousand dollars ($500,000) of the funds shall be used by the Office of the State Controller for data processing, debt collection, or e-commerce costs.

SECTION 33.1.(c) All funds available in Special Reserve Account 24172 on June 30 of each year of the 2017-2019 fiscal biennium shall revert to the General Fund on that date.

SECTION 33.1.(d) The State Controller shall report quarterly to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the revenue deposited in Special Reserve Account 24172 and the disbursement of that revenue.

PART XXXIV. DEPARTMENT OF TRANSPORTATION

CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS

SECTION 34.1.(a) Subsections (b) and (c) of Section 35.2 of S.L. 2016-94 are repealed.

SECTION 34.1.(b) The General Assembly authorizes and certifies anticipated revenues for the Highway Fund as follows:

For Fiscal Year 2019-2020	$ 2,277.7 million
For Fiscal Year 2020-2021	$ 2,374.9 million
For Fiscal Year 2021-2022	$ 2,403.4 million
For Fiscal Year 2022-2023	$ 2,427.3 million

SECTION 34.1.(c) The General Assembly authorizes and certifies anticipated revenues for the Highway Trust Fund as follows:

For Fiscal Year 2019-2020	$ 1,619.9 million
For Fiscal Year 2020-2021	$ 1,654.6 million
For Fiscal Year 2021-2022	$ 1,675.6 million
For Fiscal Year 2022-2023	$ 1,701.8 million

SECTION 34.1.(d) The Department of Transportation, in collaboration with the Office of State Budget and Management, shall develop a four-year revenue forecast. The first fiscal year in the four-year revenue forecast shall be the 2023-2024 fiscal year. The four-year

revenue forecast developed under this subsection shall be used (i) to develop the four-year cash flow estimates included in the biennial budgets, (ii) to develop the Strategic Transportation Improvement Program, and (iii) by the Department of the State Treasurer to compute transportation debt capacity.

CONTINGENCY FUNDS

SECTION 34.2.(a) Section 29.2(a)(1) of S.L. 2015-241, as amended by Section 35.19 of S.L. 2016-94, is repealed.

SECTION 34.2.(b) Of the funds appropriated in this act to the Department of Transportation, twelve million dollars ($12,000,000) for each fiscal year of the 2017-2019 fiscal biennium shall be allocated statewide for rural or small urban highway improvements and related transportation enhancements to public roads and public facilities, industrial access roads, and spot safety projects, including pedestrian walkways that enhance highway safety. Projects funded pursuant to this subsection shall be approved by the Secretary of Transportation.

SECTION 34.2.(c) The Department of Transportation shall report to the members of the General Assembly on projects funded pursuant to subsection (b) of this section in each member's district prior to construction. The Department shall make a quarterly comprehensive report on the use of these funds to the Joint Legislative Transportation Oversight Committee and the Fiscal Research Division.

REPAIRS AND RENOVATIONS

SECTION 34.3. There is appropriated from the Highway Fund to the Department of Transportation for the 2017-2019 fiscal biennium the following amounts for repairs and renovations:

Repairs and Renovations – Highway Fund	**2017-2018**	**2018-2019**
Chilled Water Piping and Insulation Replacement	$612,700	$0
Statewide: Small Office Renovations/Additions	700,000	700,000
Statewide: Roof Repairs and Replacements	1,500,000	1,500,000
Statewide: Demolition of Obsolete or Condemned Buildings	500,000	500,000
Update Ductwork in Transportation Main Building	300,000	0
New Chiller for the Highway Building Complex	0	325,000
Statewide: Water and Sewer Upgrades	1,500,000	1,500,000
Upfit First Floor of Highway Building and Annex With Generator	0	825,000
TOTAL REPAIRS AND RENOVATIONS – HIGHWAY FUND	**$5,112,700**	**$5,350,000**

DOT/FUNDING FOR ANALYTICS SERVICES

SECTION 34.4. In addition to the funding appropriated in this act to continue and enhance the Department of Transportation's contract for transportation analytics services, the Secretary of the Department of Transportation may use up to the sum of two million dollars ($2,000,000) from funds available for the 2017-2018 fiscal year to cover costs incurred for obtaining additional analytics services to improve the efficiency and operations of the Department.

DOT PROPERTY ACQUISITIONS/APPRAISAL WAIVER VALUATION

SECTION 34.5.(a) Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-19.6. Appraisal waiver valuation.**

(a) Intent. – It is the intent of the General Assembly to provide the Department of Transportation with the resources and flexibility necessary to accelerate the time in which projects are completed, while maintaining fairness to affected property owners and other citizens of this State. It is the belief of the General Assembly that providing the Department with the flexibility allowed under subsection (b) of this section will help toward achieving this intent. Therefore, the Department is encouraged to utilize the flexibility provided in subsection (b) of this section for all acquisitions of land in which the value of the acquisition is estimated at five thousand dollars ($5,000) or less.

(b) Permissive Exception to Appraisal. – When the Department acquires land, and except as otherwise required by federal law, an appraisal is not required if the Department determines that the anticipated value of the proposed acquisition is estimated at forty thousand dollars ($40,000) or less, based on a review of data available to the Department at the time the Department begins the acquisition process. If the Department determines that an appraisal is unnecessary, the Department may prepare an appraisal waiver valuation instead of an appraisal. The Department may contract with a qualified third party to prepare an appraisal waiver valuation. Any person performing an appraisal waiver valuation must have a sufficient understanding of the local real estate market to be qualified to perform the appraisal waiver valuation.

(c) Construction. – Nothing in subsection (b) of this section shall be construed as superseding or altering any provision of federal law requiring the Department to obtain an appraisal of a property the Department is attempting to acquire."

SECTION 34.5.(b) This section becomes effective July 1, 2017, and applies to acquisitions on or after that date.

ESTABLISHMENT OF ADVANCE RIGHT-OF-WAY ACQUISITION ACCOUNT

SECTION 34.6.(a) Article 14 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-186. Use of credit reserve; Advance Right-of-Way Acquisition Account.**

(a) Definitions. – For purposes of this section, the following definitions apply:

(1) Credit reserve in the Highway Trust Fund. – Consists of all of the following:

a. The unreserved credit balance in the Highway Trust Fund on the last day of the fiscal year to the extent the balances exceed the amount estimated for that date in the Current Operations Appropriations Act for the following fiscal year.

b. The unencumbered and unexpended balances on the last day of the fiscal year for the Central and program administration.

c. The remaining balance for (i) any open project that has been inactive for two or more years after construction of the project has been completed or (ii) any project that is not obligated during the first two fiscal years in which funds are appropriated.

(2) Protective purchase. – Occurs when there is an imminent threat of development of property located within a planned transportation project area established by the Department and the development could affect the Department's ability to construct the project by significantly increasing future right-of-way costs, relocations, and disruption of persons and businesses in the planned transportation project area.

(3) Undue hardship. – Occurs when a planned transportation project area established by the Department causes a property owner remaining on a property located within the planned transportation project area to experience a hardship based on health, safety, or financial reasons beyond what is experienced by other property owners within the planned transportation project area and the property owner is unable to sell the property at fair market value within a time period that is typical for properties not impacted by the planned project.

(b) Establishment of Account. – There is established within the Highway Trust Fund an Advance Right-of-Way Acquisition Account. The Account shall be under the control and direction of the Department of Transportation. The Account shall consist of both of the following:

(1) The credit reserve in the Highway Trust Fund on the last day of the fiscal year to the extent the balance in the Account does not exceed twenty-five million dollars ($25,000,000).

(2) Any State or federal funds appropriated, allocated, or otherwise transferred to the Account.

(c) Uses. – The funds in the Account shall be used only to advance funds to a project for the acquisition of right-of-way prior to the project being programmed in the State Transportation Improvement Program. Funds advanced pursuant to this subsection may be used for the cost of the right-of-way and any costs incurred in acquiring the right-of-way. Funds advanced pursuant to this subdivision, including any fees or interest, shall be repaid in the first year the project utilizing the acquired right-of-way is programmed for right-of-way in the State Transportation Improvement Program. Funds shall not be advanced to a project pursuant to this subsection unless the project meets all of the following requirements:

(1) The right-of-way must be identified as a future right-of-way in (i) a corridor protection map adopted pursuant to Article 2E of this Chapter, (ii) the most recently adopted State Transportation Improvement Program, or (iii) both a corridor protection map adopted pursuant to Article 2E of this Chapter and the most recently adopted State Transportation Improvement Program.

(2) The Department determines it is in the best interest of the public to acquire the right-of-way (i) as a protective purchase or (ii) to remove an undue hardship.

(3) For Turnpike projects only, a Record of Decision or a Finding of No Significant Impact must have been issued.

(d) Fees and Interest. – Except for Turnpike projects, the Department shall not charge fees or interest on funds advanced pursuant to subsection (c) of this section. For Turnpike projects, the Department shall condition the advancement of funds pursuant to subsection (c) of this section on the establishment of any security and the payment of any fees and interest rates the Department may deem necessary.

(e) Repayment. – Funds advanced pursuant to subsection (c) of this section, including any fees or interest, shall be repaid in the first year the project utilizing the acquired right-of-way is programmed for right-of-way in the State Transportation Improvement Program.

(f) Remaining Credit Reserve. – The Director of the Budget shall allocate any portion of the credit reserve in the Highway Trust Fund not used in accordance with subdivision (1) of subsection (b) of this section to the Strategic Transportation Investments fund in the Highway Trust Fund. The funds shall be used only to accelerate the completion of projects with sections included in the most recently adopted State Transportation Improvement Program. The use of the funds described in this subsection shall be subject to the requirements of Article 14B of this Chapter. To the extent the funds described in this subsection are not already appropriated, they are hereby appropriated to be used for the purpose set forth in this subsection."

SECTION 34.6.(b) G.S. 136-189.11 reads as rewritten:

"**§ 136-189.11. Transportation Investment Strategy Formula.**

...

(b) Funds Excluded From Formula. – The following funds are not subject to this section:

...

(12) Funds advanced pursuant to G.S. 136-186.

...

(e) Authorized Formula Variance. – The Department may vary from the Formula set forth in this section if it complies with the following:

...

(2) Calculation of variance. – Each year the Secretary shall calculate the amount of Regional Impact and Division Need funds allocated in that year to each division and region, the amount of funds obligated, and the amount the obligations exceeded or were below the allocation. In calculating the amount of funds obligated, the Secretary shall include any amount used as repayment for funds advanced pursuant to G.S. 136-186. In the first variance calculation under this subdivision following the end of fiscal year 2015-2016, the target amounts obtained according to the Formula set forth in this section shall be adjusted to account for any differences between allocations and obligations reported for the previous year. In the first variance calculation under this subdivision following the end of fiscal year 2016-2017, the target amounts obtained according to the Formula set forth in this section shall be adjusted to account for any differences between allocations and obligations reported for the previous two fiscal years. In the first variance calculation under this subdivision following the end of fiscal year 2017-2018, the target amounts obtained according to the Formula set forth in this section shall be adjusted to account for any differences between allocations and obligations reported for the previous three fiscal years. In the first variance calculation under this subdivision following the end of fiscal year 2018-2019, the target amounts obtained according to the Formula set forth in this section shall be adjusted to account for any differences between allocations and obligations reported for the previous four fiscal years. The new target amounts shall be used to fulfill the requirements of subdivision (1) of this subsection for the next update of the Transportation Improvement Program. The adjustment to the target amount shall be allocated by Distribution Region or Division, as applicable.

...."

USE OF FUNDS IN MOBILITY/MODERNIZATION FUND

SECTION 34.7.(a) Spot Mobility Program. – Of the funds appropriated in this act to the Mobility/Modernization Fund in the Highway Fund, twenty-five percent (25%) of the funds shall be used for a Spot Mobility Program that shall be managed by the State Traffic

Engineer of the Department of Transportation. The purpose of the Spot Mobility Program is to provide funding for small projects that will reduce traffic congestion and vehicular delay times. The Department shall develop a quantitative, evidence-based formula to use in selecting projects to receive funding from the Spot Mobility Program. At a minimum, the Department shall consider all of the following in developing the formula required by this subsection:

(1) The travel-time savings resulting from the proposed project.
(2) Reductions to motor vehicle queues resulting from the proposed project.
(3) The service life of the proposed project.
(4) The benefit-cost ratio of the proposed project.

SECTION 34.7.(b) Economic Development/Small Construction/Industrial Access. – Of the funds appropriated in this act to the Mobility/Modernization Fund in the Highway Fund, fifteen percent (15%) of the funds shall be used for the following purposes:

(1) To allocate to the Economic Development Fund to be used for prioritized transportation improvements and infrastructure that expedite commercial growth as well as either job creation or job retention.
(2) For small construction projects recommended by the Chief Engineer in consultation with the Chief Operating Officer and approved by the Secretary of Transportation. Funds used in accordance with this subdivision shall be allocated equally among the 14 Highway Divisions for small construction projects.
(3) To use for the development and expansion of access roads to industrial facilities.

SECTION 34.7.(c) High-Impact and Low-Cost Construction Projects. – Of the funds appropriated in this act to the Mobility/Modernization Fund in the Highway Fund, sixty percent (60%) of the funds shall be used for construction projects that are high impact and low cost. The funds shall be allocated equally among the 14 Highway Divisions. Projects funded under this subsection include intersection improvement projects, minor widening projects, and operational improvement projects. The Department shall develop a quantitative, evidence-based formula to use in selecting projects to receive funding under this subsection. At a minimum, the Department shall consider all of the following in developing the formula required by this subsection:

(1) The average daily traffic volume of a roadway and whether the proposed project will generate additional traffic.
(2) Any restrictions on a roadway.
(3) Any safety issues with a roadway.
(4) The condition of the lanes, shoulders, and pavement on a roadway.
(5) The site distance and radius of any intersection on a roadway.

SECTION 34.7.(d) Report. – The Department shall develop a report detailing (i) the formulas developed under subsections (a) and (c) of this section, (ii) the types of projects funded under this section, and (iii) the total amount of funding allocated to each project funded under this section. The Department shall submit the report required under this subsection to the Joint Legislative Transportation Oversight Committee by March 1, 2018.

SECTION 34.7.(e) Conforming Repeal. – Subsections (b) through (d) of Section 34.7 of S.L. 2013-360, as amended by Section 34.29 of S.L. 2014-100, are repealed.

RURAL PROJECT DEVELOPMENT

SECTION 34.8.(a) Matching Funds for Certain MPOs and RPOs. – Of the funds appropriated in this act to the Department of Transportation (Department), the sum of seven hundred fifty thousand dollars ($750,000) in nonrecurring funds for each fiscal year of the 2017-2019 fiscal biennium shall be allocated to qualifying Metropolitan Planning Organizations and Rural Transportation Planning Organizations to be used to fund a portion of

the local match required for federal State Planning and Research Program funds under 23 U.S.C. § 505. A Metropolitan Planning Organization is only eligible for funding under this section if it has a population of 400,000 or less, as determined by the most recent census. The funds shall be allocated as follows:

(1) For a Metropolitan Planning Organization or Rural Transportation Planning Organization that includes at least one representative from a development tier one area, as determined under G.S. 143B-437.08, the Department shall allocate an amount equal to fifteen percent (15%) of the total local match required.

(2) For a Metropolitan Planning Organization or Rural Transportation Planning Organization that does not qualify under subdivision (1) of this subsection, but includes at least one representative from a development tier two area, as determined under G.S. 143B-437.08, the Department shall allocate an amount equal to ten percent (10%) of the total local match required.

(3) The Department shall not allocate any funds under this subsection to a Metropolitan Planning Organization or Rural Transportation Planning Organization that does not qualify under this subsection.

SECTION 34.8.(b) Establish Corridor Development Unit. – The Department shall establish a Corridor Development Unit within, and under the direction of, the Division of Planning and Programming of the Department. The Corridor Development Unit shall work with organizations that receive funding under subsection (a) of this section to develop detailed corridor studies on highway projects prior to submitting the project for inclusion and prioritization in a long-term transportation planning document. The studies required under this subsection shall include an identification of each segment of a highway project, cost estimates for each segment, and an identification of logical termini for each segment.

SECTION 34.8.(c) Report. – The Department shall develop a report for each fiscal year of the 2017-2019 fiscal biennium on the usage of federal State Planning and Research Program funds allocated in accordance with this section for that fiscal year. The Department shall submit the reports, including any legislative recommendations for improving the development of rural transportation projects, to the Joint Legislative Transportation Oversight Committee by (i) April 1, 2018, for the first report and (ii) April 1, 2019, for the second report.

EXPAND USE OF PAVEMENT PRESERVATION PROGRAM FUNDS

SECTION 34.9. G.S. 136-44.17(b) reads as rewritten:

"(b) Eligible Activities or Treatments. – Applications eligible for funding under the pavement preservation program include the following preservation activities or treatments for asphalt pavement structures:

...

(14) Pavement markers and markings."

CODIFY BRIDGE PROGRAM LAW

SECTION 34.10.(a) Subsection (a) of Section 34.18 of S.L. 2014-100, as amended by Section 29.6 of S.L. 2015-241, is repealed.

SECTION 34.10.(b) Article 5 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-76.2. Bridge program.**

(a) Establishment. – The Department of Transportation shall rename the "system preservation program" the "bridge program."

(b) Bridge Replacement. – There is annually appropriated from the Highway Fund to the bridge program established under subsection (a) of this section, the sum of thirty million

dollars ($30,000,000) to be used solely for the replacement of deficient bridges that will cost in excess of twenty million dollars ($20,000,000).

(c) Other Uses. – Any additional funds appropriated, allocated, credited, or otherwise transferred to the bridge program established under subsection (a) of this section shall be used for improvements to culverts associated with a component of the State highway system and improvements to structurally deficient and functionally obsolete bridges. No more than ten percent (10%) of the funds described in this subsection may be used for improvements to culverts associated with a component of the State highway system, and the funds may only be used for culverts that are 54 inches or greater in size and rated by the Department as in poor condition.

(d) Outsourcing. – All projects funded under the bridge program established under subsection (a) of this section, with the exception of inspection, pre-engineering, contract preparation, contract administration and oversight, and planning activities, shall be outsourced to private contractors."

SECTION 34.10.(c) G.S. 119-18(b) reads as rewritten:

"(b) Proceeds. – The proceeds of the inspection tax levied by this section shall be applied first to the costs of administering this Article and Subchapter V of Chapter 105 of the General Statutes. The remainder of the proceeds shall be credited on a monthly basis to the Highway Fund to be used for the bridge ~~program under the Department of Transportation in the highway maintenance program.~~program established under G.S. 136-76.2."

HIGHWAY MAINTENANCE IMPROVEMENT PROGRAM/REVISE PERIODS AND CONSOLIDATE WITH OTHER IMPROVEMENT PROGRAMS

SECTION 34.11.(a) G.S. 136-44.3A reads as rewritten:

"**§ 136-44.3A. Highway Maintenance Improvement Program.**

(a) Definitions. – The following definitions apply in this Article:

...

(4) Highway Maintenance Improvement Program Needs Assessment. – A report of the amount of funds needed, the number of affected lane miles, and the percentage of the primary and secondary system roads that are rated to need a resurfacing or pavement preservation treatment within the Highway Maintenance Improvement Program's ~~three-year~~ five-year time period but are not programmed due to funding constraints.

...

(c) Highway Maintenance Improvement Program. – After the annual inspection of roads within the State highway system, each highway division shall determine and report to the Chief Engineer on the need for rehabilitation, resurfacing, or pavement preservation treatments. The Chief Engineer shall establish a ~~three-year~~ five-year priority list for each highway division based on the Chief Engineer's estimate of need. In addition, the Chief Engineer shall establish a ~~three-year~~ five-year improvement schedule, sorted by county, for rehabilitation, resurfacing, and pavement preservation treatment activities. The schedule shall be based on the amount of funds appropriated to the contract resurfacing program and the pavement preservation program in the fiscal year preceding the issuance of the Highway Maintenance Improvement Program for all ~~three~~ five years of the Highway Maintenance Improvement Program. State funding for the Highway Maintenance Improvement Program shall be limited to funds appropriated from the State Highway Fund.

...."

SECTION 34.11.(b) G.S. 136-44.3A(c), as amended by subsection (a) of this section, reads as rewritten:

"(c) Highway Maintenance Improvement Program. – After the annual inspection of roads within the State highway system, each highway division shall determine and report to the

Chief Engineer on (i) the need for rehabilitation, resurfacing, or pavement preservation ~~treatments.~~treatments, (ii) the need for bridge and general maintenance, and (iii) projected changes to the condition of pavement on primary and secondary roads for each year over a five-year period. The Chief Engineer shall establish a five-year priority list for each highway division based on the Chief Engineer's estimate of need. In addition, the Chief Engineer shall establish a five-year improvement schedule, sorted by county, for rehabilitation, resurfacing, and pavement preservation treatment activities. The schedule shall be based on the amount of funds appropriated to the contract resurfacing program and the pavement preservation program in the fiscal year preceding the issuance of the Highway Maintenance Improvement Program for all five years of the Highway Maintenance Improvement Program. State funding for the Highway Maintenance Improvement Program shall be limited to funds appropriated from the State Highway Fund."

SECTION 34.11.(c) By January 1, 2020, and for the purpose of forming a consolidated report of all maintenance activities, the Department of Transportation shall merge the Bridge Maintenance Improvement Program and the General Maintenance Improvement Program into the Highway Maintenance Improvement Program established under G.S. 136-44.3A.

SECTION 34.11.(d) Subsection (b) of this section becomes effective January 1, 2020, and applies beginning with the report due April 1, 2020. Subsection (a) of this section becomes effective July 1, 2017, and applies to priority lists and improvement schedules submitted on or after that date. The remainder of this section becomes effective July 1, 2017.

REVISE CONTENT OF TRANSPORTATION IMPROVEMENT PROGRAM SCHEDULE

SECTION 34.12. G.S. 143B-350(f)(4) reads as rewritten:

"(4) To approve a schedule of all major transportation improvement projects and their anticipated cost. This schedule is designated the Transportation Improvement Program. The Board shall publish the schedule in a format that is easily reproducible for distribution and make copies available for distribution in accordance with the process established for public records in Chapter 132 of the General Statutes. ~~The document that contains the Transportation Improvement Program, or a separate document that is published at the same time as the Transportation Improvement Program, shall include the anticipated funding sources for the improvement projects included in the Program and a list of any changes made from the previous year's Program, and the reasons for the changes.~~"

DOT/OUTSOURCING AND PROJECT DELIVERY REPORTS

SECTION 34.13. Article 1 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-12.3. Outsourcing and project delivery reports.**

(a) Intent. – It is the intent of the General Assembly to take all steps necessary to assist the Department of Transportation in accelerating project delivery and reducing costs incurred by the State. The General Assembly finds that shifting more control over projects to each of the Highway Divisions can assist in achieving this intent. Further, the General Assembly encourages each Highway Division to increase its outsourcing of preconstruction activities to private contractors to sixty percent (60%) of the total cost of preconstruction activities performed by the Highway Division, with the belief that increased outsourcing will also assist in achieving this intent. Therefore, in order to assess the results from shifting project control and increasing the use of outsourcing, and to determine what adjustments may be necessary to

improve upon the results, the General Assembly finds that reports are necessary to collect baseline data to establish appropriate targets.

(b) Outsourcing Report. – For each Highway Division, the Department shall provide a detailed biannual report on all payments made to private contractors for preconstruction activities. In order to compare internal costs incurred with payments made to private contractors, and except as otherwise provided in this subsection, the Department shall include project-specific expenses incurred by division, regional, or central staff. The Department shall not include expenses incurred for central business units that support and oversee outsourcing functions. The information in the first report submitted under this subsection shall be used to establish a baseline to use for setting future preconstruction outsourcing targets. The Department shall submit the reports required under this subsection to the Joint Legislative Transportation Oversight Committee by September 1 and March 1 of each year.

(c) Project Delivery Report. – For each Highway Division, the Department shall provide a detailed annual report in accordance with the following requirements:

(1) The report shall detail the progress of the following types of projects in the State Transportation Improvement Program current for the period covered by the report:
   a. Bridge projects with a cost in excess of ten million dollars ($10,000,000).
   b. Interstate highway projects.
   c. Rural highway projects.
   d. Urban highway projects.

(2) For each project, the report shall indicate the status of all of the following phases:
   a. Planning a design in progress.
   b. Right-of-way acquisition in progress.
   c. Project let for construction.
   d. Construction substantially complete and traffic using facility.

(3) For each project, and as applicable, the report shall include an indication and explanation for project stages that are delayed during the period covered by the report, and the delay has been for more than one year.

(4) For each project, the report shall include the planned and actual completion date for any required environmental documentation.

(5) The Department shall submit the report required under this subsection to the Joint Legislative Transportation Oversight Committee by March 1 of each year.

(d) Combined Report. – The Department may combine the reports required to be submitted by March 1 under subsections (b) and (c) of this section into a single report.

(e) Consultation Required. – If a Highway Division fails to meet the established preconstruction outsourcing target in two consecutive reports submitted under subsection (b) of this section, or if a report submitted under subsection (c) of this section identifies a Highway Division as having three or more project stages delayed for more than one year, the Division Engineer of the Highway Division identified in the report shall consult with the Joint Legislative Transportation Oversight Committee. The Division Engineer shall submit a request for consultation to (i) all members of the Committee and (ii) the Fiscal Research Division of the General Assembly. The request for consultation shall consist of a written report providing (i) an explanation for the failure or delay and (ii) a plan for remedying the failure or delay. If the Committee does not hold a meeting to hear the consultation required by this subsection within 90 days after the consultation request has been submitted, the consultation requirement is satisfied."

BOARD OF TRANSPORTATION/STUDY FEE STRUCTURE FOR SERVICES PERFORMED BY THE HIGHWAY DIVISION

SECTION 34.14.(a) Study. – The Board of Transportation shall study the existing fee structure for services performed by Highway Division personnel. For each type of service performed by Highway Division personnel, the Board shall identify, for each of the three fiscal years immediately preceding the effective date of this section, (i) the number of times a fee was charged for a service performed and (ii) the number of times a fee could have been charged for a service performed. The study shall identify the service performed, the amount of the fee that was or could have been charged, the cost incurred by the Department of Transportation from performing the service, and, if applicable, the reason for not charging the fee.

SECTION 34.14.(b) Report. – The Board shall submit its findings, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee by January 1, 2018.

ALIGN DOT'S PROGRAM FOR PARTICIPATION BY DISADVANTAGED MINORITY-OWNED AND WOMEN-OWNED BUSINESSES WITH FEDERAL LAW

SECTION 34.15.(a) G.S. 136-28.4 reads as rewritten:

"**§ 136-28.4. State policy concerning participation by disadvantaged minority-owned and women-owned businesses in transportation contracts.**

...

(b1) Based upon the findings of the Department's 2014 study entitled "North Carolina Department of Transportation Disparity Study, 2014," hereinafter referred to as "Study", the program design shall, to the extent reasonably practicable, incorporate narrowly tailored remedies identified in the Study, and the Department shall implement a comprehensive antidiscrimination enforcement policy. As appropriate, the program design shall be modified by rules adopted by the Department that are consistent with findings made in the Study and in subsequent studies conducted in accordance with subsection (b) of this section. As part of this program, the Department shall review its budget and establish ~~aspirational goals~~ a combined aspirational goal every three years, not a mandatory ~~goals,~~ goal, in ~~percentages,~~ the form of a percentage, for the overall participation in contracts by disadvantaged minority-owned and women-owned businesses. ~~These aspirational goals~~ This aspirational goal for disadvantaged minority-owned and women-owned businesses shall be established consistent with federal ~~methodology;~~methodology and ~~they~~ shall not be applied rigidly on specific contracts or projects. Instead, the Department shall establish ~~contract-specific goals or project-specific goals~~ a contract-specific goal or project-specific goal for the participation of such firms in a manner consistent with availability of disadvantaged minority-owned and women-owned businesses, as appropriately defined by its most recent ~~Study, for each disadvantaged minority-owned and women-owned business category that has demonstrated significant disparity in contract utilization.~~Study. Nothing in this section shall authorize the use of quotas. Any program implemented as a result of the Study conducted in accordance with this section shall be narrowly tailored to eliminate the effects of historical and continuing discrimination and its impacts on such disadvantaged minority-owned and women-owned businesses without any undue burden on other contractors. The Department shall give equal opportunity for contracts it lets without regard to race, religion, color, creed, national origin, sex, age, or handicapping condition, as defined in G.S. 168A-3, to all contractors and businesses otherwise qualified.

...

~~(c) This section expires August 31, 2017.~~"

SECTION 34.15.(b) The Department of Transportation shall develop a plan to establish and implement the combined goal required under subsection (a) of this section. The Department shall submit its plan, including any legislative recommendations, to the Joint

Legislative Transportation Oversight Committee by February 1, 2018. The Department shall implement its plan developed under this subsection by April 1, 2018.

SECTION 34.15.(c) G.S. 136-28.4(b1), as amended by subsection (a) of this section, becomes effective April 1, 2018. The remainder of this section is effective when it becomes law.

"DOT REPORT" PROGRAM REVISIONS

SECTION 34.16.(a) G.S. 136-18.05 reads as rewritten:

"§ 136-18.05. Establishment of "DOT Report" Program.

...

(b) Establishment and Components. – To achieve the intent set forth in subsection (a) of this section, the Department shall establish and implement the "DOT Report" Program (Program). The Program shall include the following components:

(1) Responsiveness. – The Department shall structure the Program to gather citizen input and shall commit to quickly addressing structural problems and other road hazards on State-maintained roads. Citizens may report potholes, drainage issues, culvert blockages, guardrail repairs, damaged or missing signs, malfunctioning traffic lights, highway debris, or shoulder damage to the Department of Transportation by calling a toll-free telephone number designated by the Department or submitting an online work request through a Web site link designated by the Department. Beginning January 1, 2016, upon receiving a citizen report in accordance with this subdivision, the Department shall either address the reported problem or identify a solution to the reported problem. ~~Excluding potholes, which shall be repaired within two business days of the date the report is received, the~~ The Department of Transportation shall properly address (i) safety-related citizen reports no later than 10 business days after the date the report is received and (ii) non-safety-related citizen ~~reports~~ reports, including potholes, no later than 15 business days after the date the report is received. The Department shall determine, in its discretion, whether a citizen report is safety-related or non-safety-related. The Department shall transmit information received about potholes or other problems on roads not maintained by the State to the appropriate locality within two business days of receiving the citizen report. The Department shall provide a monthly report to all of the following on the number of citizen reports received under this subdivision for the month immediately preceding the monthly report, the number of citizen reports fully addressed within the time frames set forth in this subdivision for the month immediately preceding the monthly report, the number of citizen reports addressed outside of the time frames set forth in this subdivision for the month immediately preceding the monthly report, and the number of citizen reports not fully addressed for the month immediately preceding the report:

a. The Joint Legislative Transportation Oversight Committee.

b. The Fiscal Research Division of the General Assembly.

c. The chairs of the House of Representatives Appropriations Committee on Transportation.

d. The chairs of the Senate Appropriations Committee on the Department of Transportation.

(1a) Efficiency. – The Department shall adopt procedures in all stages of the construction process to streamline project delivery, including consolidating environmental review processes, expediting multiagency reviews,

accelerating right-of-way acquisitions, and pursuing design build and other processes to collapse project stages. By December 1, 2015, the Department shall establish a baseline unit pricing structure for transportation goods used in highway maintenance and construction projects and set annual targets for three years based on its unit pricing. In forming the baseline unit prices and future targets, the Department shall collect data from each Highway Division on its expenditures on transportation goods during the 2015-2016 fiscal year. Beginning January 1, 2016, no Highway Division shall exceed a ten percent (10%) variance over a baseline unit price set for that year in accordance with this subdivision. The Department of Transportation shall institute quarterly tracking to monitor pricing variances. The ten percent (10%) maximum variance set under this subdivision is intended to account for regional differences requiring varying product mixes. If a Highway Division exceeds the unit pricing threshold, the Department shall report to the Joint Legislative Transportation Oversight Committee, the Fiscal Research Division of the General Assembly, the chairs of the House of Representatives Appropriations Committee on Transportation, and the chairs of the Senate Appropriations Committee on the Department of Transportation, no later than the fifteenth day following the end of the quarter on why the variance occurred and what steps are being taken to bring the Highway Division back into compliance. In order to drive savings, unit pricing may be reduced annually as efficiencies are achieved.

...."

SECTION 34.16.(b) Section 29.14(b) of S.L. 2015-241 is repealed.

STATE AID TO MUNICIPALITIES/NO FUNDS IF MUNICIPALITY FAILS TO FILE STATEMENT

SECTION 34.17. G.S. 136-41.3 is amended by adding a new subsection to read:

"(b1) Failure to File. – A municipality that fails to timely file the statement required under subsection (b) of this section shall be ineligible to receive funds under G.S. 136-41.1 or G.S. 136-41.2 for the remainder of the fiscal year in which the municipality failed to timely file the statement. This subsection does not apply to a municipality whose failure to timely file the statement required under subsection (b) of this section is due to a natural disaster."

EXTEND MORATORIUM ON ADOPTION OF NEW MAPS UNDER THE MAP ACT

SECTION 34.18. G.S. 136-44.50(h) reads as rewritten:

"(h) No new transportation corridor official map may be adopted pursuant to this section from July 1, 2016, to July 1, ~~2017.~~2018."

FUNDING FOR AIRPORT IMPROVEMENTS AND DEBT SERVICE

SECTION 34.19.(a) 2017-2018 Allocations. – Of the funds appropriated from the Highway Fund to the Department of Transportation for capital improvements at commercial airports, the following sums in nonrecurring funds for the 2017-2018 fiscal year, which are based on the economic output of commercial airports that are medium-sized hubs or smaller, shall be allocated by the Department as follows:

(1) Twenty-one million two hundred eighty-two thousand one hundred thirty-one dollars ($21,282,131) to the Raleigh-Durham International Airport.

(2) Eight hundred sixty-four thousand seven hundred eight dollars ($864,708) to the Albert J. Ellis Airport.

(3) Two million twenty-six thousand three hundred thirty-one dollars ($2,026,331) to the Asheville Regional Airport.
(4) Six hundred fifty-three thousand one hundred sixty-two dollars ($653,162) to the Coastal Carolina Regional Airport.
(5) Five hundred eighty-six thousand nine hundred one dollars ($586,901) to the Concord Regional Airport.
(6) One million one hundred thirty-nine thousand six hundred seventy dollars ($1,139,670) to the Fayetteville Regional Airport.
(7) Seven million one hundred twenty-three thousand eighty-two dollars ($7,123,082) to the Piedmont Triad International Airport.
(8) Three hundred seventy-seven thousand seventy dollars ($377,070) to the Pitt-Greenville Airport.
(9) Five million nine hundred forty-six thousand nine hundred forty-five dollars ($5,946,945) to the Wilmington International Airport.

SECTION 34.19.(b) 2018-2019 Allocation to RDU. – Of the funds appropriated from the Highway Fund to the Department of Transportation for capital improvements at commercial airports, and beginning in the 2018-2019 fiscal year, the sum of thirty-one million two hundred eighty-two thousand one hundred thirty-one dollars ($31,282,131) in recurring funds shall be allocated by the Department to the Raleigh-Durham International Airport.

SECTION 34.19.(c) 2018-2019 Allocations to Other Airports. – Of the funds appropriated from the Highway Fund to the Department of Transportation for capital improvements at commercial airports, the following sums in nonrecurring funds for the 2018-2019 fiscal year shall be allocated as follows:

(1) Eight hundred sixty-four thousand seven hundred eight dollars ($864,708) to the Albert J. Ellis Airport.
(2) Two million twenty-six thousand three hundred thirty-one dollars ($2,026,331) to the Asheville Regional Airport.
(3) Six hundred fifty-three thousand one hundred sixty-two dollars ($653,162) to the Coastal Carolina Regional Airport.
(4) Five hundred eighty-six thousand nine hundred one dollars ($586,901) to the Concord Regional Airport.
(5) One million one hundred thirty-nine thousand six hundred seventy dollars ($1,139,670) to the Fayetteville Regional Airport.
(6) Seven million one hundred twenty-three thousand eighty-two dollars ($7,123,082) to the Piedmont Triad International Airport.
(7) Three hundred seventy-seven thousand seventy dollars ($377,070) to the Pitt-Greenville Airport.
(8) Five million nine hundred forty-six thousand nine hundred forty-five dollars ($5,946,945) to the Wilmington International Airport.

SECTION 34.19.(d) Permissible Uses. – Each airport receiving funds under this section may use the funds allocated to it under this section to (i) fund improvements to the airport and (ii) pay debt service or related financing costs and expenses on revenue bonds or notes issued by the airport.

SECTION 34.19.(e) Report. – The Department of Transportation shall provide a report on the use or uses by each airport of funds allocated to the airport under this section. The Department shall submit the report required under this subsection by March 1, 2019, to the Joint Legislative Transportation Oversight Committee.

REQUIRE USE OF OUTSIDE VENDOR TO SELL SIKORSKY HELICOPTER

SECTION 34.20.(a) Section 34.10(a) of S.L. 2014-100 reads as rewritten:

"**SECTION 34.10.(a)** The Division of Aviation of the Department of Transportation shall sell the following aircraft from its fleet as expeditiously as possible in order to modernize the fleet:

(1) Sikorsky S-76C helicopter.

(2) Cessna 550 Citation Bravo airplane.

The Division of Aviation shall utilize and contract with an outside vendor that specializes or has experience in the sale of aviation equipment to sell the helicopter described in subdivision (1) of this subsection. Proceeds from these sales as well as any future sales under the plan required by subsection (b) of this section shall be credited to a nonreverting reserve within the Highway Fund to be used for future aircraft or equipment acquisitions by the Division of Aviation. The Division shall not acquire or dispose of additional aviation assets prior to its report to the Joint Legislative Transportation Oversight Committee required by subsection (c) of this section."

SECTION 34.20.(b) The Division of Aviation of the Department of Transportation shall identify and contract with an outside vendor in accordance with subsection (a) of this section by August 1, 2017. The Division of Aviation shall submit a report to the Joint Legislative Transportation Oversight Committee by August 15, 2017, providing details as to the contract entered into in accordance with subsection (a) of this section, including an identification of the outside vendor and the total cost of the contract to the State.

REVISE USE OF TAXES COLLECTED ON AVIATION GASOLINE AND JET FUEL

SECTION 34.21.(a) G.S. 105-164.44M reads as rewritten:

"**§ 105-164.44M. Transfer to Division of Aviation.**

The net proceeds of the tax collected on aviation gasoline and jet fuel under G.S. 105-164.4 must be transferred within 75 days after the end of each fiscal year to the Highway Fund. This amount is annually appropriated from the Highway Fund to the Division of Aviation of the Department of Transportation for prioritized capital improvements to ~~public~~ general aviation airports ~~and~~ for time-sensitive aviation capital improvement projects for economic development purposes."

SECTION 34.21.(b) This section becomes effective January 1, 2018, and applies to sales made on or after that date.

MUNICIPALITIES AND COUNTIES/RETURN OF BICYCLE AND PEDESTRIAN PLANNING GRANT FUNDS

SECTION 34.22.(a) Article 2 of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-41.5. Return of Bicycle and Pedestrian Planning Grant funds.**

(a) Return of Funds. – If a municipality or county fails to complete a project identified in a plan described in an application for Bicycle and Pedestrian Planning Grant funds within six years from the date the municipality or county receives the grant funds, the municipality or county shall return the total amount of the grant funds awarded for that plan to the Division of Bicycle and Pedestrian Transportation of the Department of Transportation.

(b) Use of Funds. – Funds returned pursuant to subsection (a) of this section shall be credited to the fund from which they were appropriated and shall remain unexpended and unencumbered until appropriated by the General Assembly. Nothing in this subsection shall be construed as authorizing the expenditure of funds in violation of any applicable federal law.

(c) Notice. – The Division of Bicycle and Pedestrian Transportation shall include a clause in any Bicycle and Pedestrian Planning Grant agreement or contract setting forth the requirement imposed under subsection (a) of this section."

SECTION 34.22.(b) This section becomes effective July 1, 2017, and applies to any grants or contracts entered into on or after that date.

RAIL DIVISION/FIVE-YEAR SPENDING PLAN FOR FRRCSI

SECTION 34.23. The Rail Division of the Department of Transportation shall develop a five-year spending plan for the funds in the Freight Rail & Rail Crossing Safety Improvement Fund within the Highway Fund. The Rail Division shall submit its five-year spending plan to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

RAIL DIVISION/REPORT REQUIRED PRIOR TO ENTERING INTO CERTAIN CONTRACTS

SECTION 34.24.(a) Article 2D of Chapter 136 of the General Statutes is amended by adding a new section to read:

"**§ 136-44.40. Report required for certain Rail Division contracts.**

In addition to any other requirements provided by State or federal law, the Rail Division of the Department of Transportation shall submit a report to the Joint Legislative Transportation Oversight Committee prior to entering into a contract with a duration of five or more years and requiring an estimated expenditure of State funds in an amount totaling or exceeding one million five hundred thousand dollars ($1,500,000). The report shall (i) identify the total cost of the proposed contract, (ii) identify the duration of the proposed contract, (iii) identify the other party or parties to the proposed contract, and (iv) identify any other terms of the proposed contract that are deemed relevant by the Rail Division."

SECTION 34.24.(b) This section is effective when it becomes law and applies to contracts entered into on or after that date.

NORTH CAROLINA RAILROAD COMPANY/DEVELOP A 10-YEAR CAPITAL PLAN

SECTION 34.25. The North Carolina Railroad Company shall develop a 10-year capital plan. As part of the plan, the North Carolina Railroad Company shall identify which projects would be eligible for funding under Article 14B of Chapter 136 of the General Statutes. The North Carolina Railroad Company shall submit its 10-year capital plan to the Joint Legislative Transportation Oversight Committee by March 1, 2018.

GLOBAL TRANSPARK/STRATEGIC PLAN AND MARKETING

SECTION 34.26.(a) Strategic Plan; Report. – By January 1, 2018, the Global TransPark Authority shall establish and implement a strategic plan for the Global TransPark. The Global TransPark Authority may use a portion of funds appropriated to it in this act to establish and implement the strategic plan required under this subsection. The Global TransPark Authority shall submit a report to the Joint Legislative Transportation Oversight Committee by January 15, 2018, detailing the strategic report established and implemented as required by this subsection.

SECTION 34.26.(b) Marketing. – The Global TransPark Authority shall utilize and contract with an outside vendor to provide marketing services for the Global TransPark. The Global TransPark Authority shall identify and contract with an outside vendor in accordance with this subsection by February 1, 2018. The Global TransPark Authority shall submit a report to the Joint Legislative Transportation Oversight Committee by February 15, 2018, providing details as to the contract entered into in accordance with this subsection, including an identification of the outside vendor and the total cost of the contract to the State.

SECTION 34.26.(c) Web Site. – The Communications Office of the Department of Transportation shall manage the Web site for the Global TransPark, including providing regular updates on the Web site as to, at a minimum, (i) achievements of the Global TransPark, (ii)

business opportunities available at the Global TransPark, and (iii) events held at the Global TransPark.

NORTH CAROLINA STATE PORTS AUTHORITY/FUNDS FOR DEBT SERVICE AND CAPITAL PROJECTS

SECTION 34.27.(a) G.S. 136-176 reads as rewritten:

"**§ 136-176. Creation, revenue sources, and purpose of North Carolina Highway Trust Fund.**

...

(b) ~~Funds~~ Except as otherwise provided in this section, funds in the Trust Fund are annually appropriated to the Department of Transportation to be allocated and used as provided in this subsection. A sum, in the amount appropriated by law, may be used each fiscal year by the Department for expenses to administer the Trust Fund. Operation and project development costs of the North Carolina Turnpike Authority are eligible administrative expenses under this subsection. Any funds allocated to the Authority pursuant to this subsection shall be repaid by the Authority from its toll revenue as soon as possible, subject to any restrictions included in the agreements entered into by the Authority in connection with the issuance of the Authority's revenue bonds. Beginning one year after the Authority begins collecting tolls on a completed Turnpike Project, interest shall accrue on any unpaid balance owed to the Highway Trust Fund at a rate equal to the State Treasurer's average annual yield on its investment of Highway Trust Fund funds pursuant to G.S. 147-6.1. Interest earned on the unpaid balance shall be deposited in the Highway Trust Fund upon repayment. The sum up to the amount anticipated to be necessary to meet the State matching funds requirements to receive federal-aid highway trust funds for the next fiscal year may be set aside for that purpose. The rest of the funds in the Trust Fund shall be allocated and used as specified in G.S. 136-189.11.

The Department must administer funds allocated under this section in a manner that ensures that sufficient funds are available to make the debt service payments on bonds issued under the State Highway Bond Act of 1996 as they become due.

...

(b3) There is annually appropriated to the North Carolina State Ports Authority from the Highway Trust Fund the sum of forty-five million dollars ($45,000,000) to be used to pay debt service or related financing costs and expenses on revenue bonds or notes issued by the State Ports Authority. In addition, funds appropriated under this subsection may be used for capital projects. The appropriations established by this subsection constitute an agreement by the State to pay the funds appropriated hereby to the State Ports Authority within the meaning of G.S. 159-81(4). Notwithstanding the foregoing, it is the intention of the General Assembly that the enactment of this subsection and the issuance of bonds or notes by the State Ports Authority in reliance thereon shall not in any manner constitute a pledge of the faith and credit and taxing power of the State, and nothing contained herein shall prohibit the General Assembly from amending the appropriations made in this subsection at any time to decrease or eliminate the amount annually appropriated to the State Ports Authority. Funds appropriated pursuant to this subsection are not subject to the formula set forth in G.S. 136-189.11.

...."

SECTION 34.27.(b) G.S. 136-189.11(b) reads as rewritten:

"(b) Funds Excluded From Formula. – The following funds are not subject to this section:

...

(11) Funds appropriated to the North Carolina State Ports Authority pursuant to G.S. 136-176(b3)."

STATE PORTS AUTHORITY/FUNDING FOR DREDGING

SECTION 34.28. Of the funds appropriated to the North Carolina State Ports Authority under G.S. 136-176(b3), as enacted by Section 34.27 of this act, up to twelve million dollars ($12,000,000) in nonrecurring funds for the 2017-2018 fiscal year may be used for the dredging of approaches to State port facilities.

STUDY/USE OF DREDGE MANTEO

SECTION 34.29. The Department of Transportation shall study the use of its new dredge vessel, the Dredge Manteo. As part of this study, the Department shall include (i) an approximation of the annual cost to the State to operate and maintain the dredge vessel and (ii) a plan to allow use of the dredge vessel by other State departments and agencies. The Department shall report its findings, including any recommended legislation, to the Joint Legislative Transportation Oversight Committee by December 1, 2017.

DOT PERFORMANCE DASHBOARD/TRACK DMV PROGRESS

SECTION 34.30.(a) Expand Performance Dashboard. – The Department of Transportation shall expand its performance dashboard available on the Department's home page on the Department's Web site to track the following information about the Division of Motor Vehicles of the Department:

(1) The number of motor vehicle registrations issued per month and year-to-date.
(2) The number of motor vehicle registrations renewed per month and year-to-date.
(3) The number of drivers licenses issued per month and year-to-date.
(4) The number of drivers licenses renewed per month and year-to-date.
(5) The number of motor vehicle registrations renewed online per month and year-to-date.
(6) The number of drivers licenses renewed online per month and year-to-date.
(7) The number of persons in the Division's Medical Review Program per month and year-to-date.
(8) The average wait time per month and year-to-date for persons contacting Division call centers.
(9) The total number of persons employed by the Division as of the first day of each month. The number provided in accordance with this subdivision shall include full-time, part-time, and temporary employees.

SECTION 34.30.(b) Implementation Date. – The expansion of the Department's performance dashboard required under subsection (a) of this section shall be completed by October 1, 2017.

DMV/PURCHASE CREDIT CARD PAYMENT PROCESSING DEVICES

SECTION 34.31. The Division of Motor Vehicles of the Department of Transportation shall purchase, and not lease, devices solely used for processing payments by credit or debit cards. The purchase price of a device subject to this section shall include the cost for any upgrades or replacements to the device necessitated by changes in technology affecting the processing of payments by credit or debit cards.

DMV/HEARING FEE IMPLEMENTATION REVISIONS

SECTION 34.32. Section 34.9 of S.L. 2014-100, as amended by Section 29.30A of S.L. 2015-241, reads as rewritten:

"**SECTION 34.9.(a)** The Department of Transportation, Division of Motor Vehicles, shall develop a plan and proposed schedule of fees to recover a portion of the direct and indirect costs incurred for the performance of administrative hearings required by law or under rules

adopted by the Board of Transportation. The plan and proposed schedule shall address, at a minimum, the following:

(1) Current hearing process and recommended modifications to achieve cost efficiencies, including proposed revisions to existing laws or rules.
(2) Historical and projected funding requirements for each category of hearing performed by the Division.
(3) Schedule of fees and projected receipts.
(4) Proposed processes and rules for the collection of fees and the refunding of fees for hearings initiated by the Division in which the original decision of the Division is reversed.
(5) Implementation milestones.

...

"**SECTION 34.9.(c)** From funds appropriated to the Department of Transportation, Information Technology Section for the 2014-2015 fiscal year, the Department shall implement modifications to supporting information technology systems necessary to timely implement the hearing fee schedule required by subsection (a) of this section. The Department shall implement the hearing fee schedule required by subsection (a) of this section by no later than ~~July 1, 2017.~~January 1, 2018."

DMV/STUDY STREAMLINING IFTA AND IRP PROCESSES

SECTION 34.33.(a) Study. – The Division of Motor Vehicles of the Department of Transportation, in consultation with the Department of Revenue, shall study streamlining the processes motor carriers must follow to comply with the requirements of the International Fuel Tax Agreement and the International Registration Plan to receive registration plates, motor carrier licenses, and motor carrier decals. The study shall include an examination of the feasibility of consolidating the processes within the Division of Motor Vehicles.

SECTION 34.33.(b) Report. – The Division of Motor Vehicles shall submit its findings under subsection (a) of this section, including any legislative recommendations, to the Joint Legislative Transportation Oversight Committee by March 1, 2018.

PILOT PROJECT/FUNDING FOR REST AREA IN RICHMOND COUNTY

SECTION 34.34.(a) Pilot Project. – The Department of Transportation shall develop and implement a pilot project to provide funding for operating a rest area on U.S. Highway 220 in Richmond County. From funds appropriated in this act to the Roadside Environmental Fund in the Highway Fund, the Department shall allocate the sum of one hundred thousand dollars ($100,000) in nonrecurring funds for each fiscal year of the 2017-2019 fiscal biennium to Richmond County for funding the rest area described in this subsection.

SECTION 34.34.(b) Distribution of Brochures. – Notwithstanding any State law or rule to the contrary, brochures and other materials advertising local attractions and accommodations may be distributed at the rest area funded under subsection (a) of this section.

SECTION 34.34.(c) Report. – The Department shall provide a report on the results of the pilot project required under subsection (a) of this section to the Joint Legislative Transportation Oversight Committee by December 1, 2018. The report shall include (i) the average daily number of visitors to the rest area, (ii) the average monthly number of visitors to the rest area, (iii) the total number of visitors to the rest area, and (iv) the average annual costs to operate the rest area. The information required under this subsection shall be for the period from when the rest area begins operation to November 1, 2018.

PART XXXV. SALARIES AND BENEFITS

ELIGIBLE STATE-FUNDED EMPLOYEES AWARDED LEGISLATIVE SALARY INCREASE EFFECTIVE JULY 1, 2017

SECTION 35.1.(a) Except as provided by subsection (b) of this section, a person (i) whose salary is set by this Part, pursuant to the North Carolina Human Resources Act, or as otherwise authorized in this act and (ii) who is employed in a State-funded position on June 30, 2017, is awarded a legislative salary increase in the amount of seven hundred fifty dollars ($750.00) or one and one-half percent (1.5%), whichever is greater, effective July 1, 2017.

SECTION 35.1.(b) The following persons are not eligible to receive the legislative salary increases provided by subsection (a) of this section:

(1) Employees of the judicial branch.

(2) Employees paid pursuant to G.S. 20-187.3, 7A-102, or 7A-171.1; except that members of the State Highway Patrol shall receive the increase as provided by subsection (d) of this section.

(3) Teachers, principals, and assistant principals paid pursuant to a salary schedule or pay plan enacted in this act.

(4) Correctional Officers, Custody Supervisors, and Prison Facility Administrators who are reclassified or otherwise receive salary increases or salary adjustments.

SECTION 35.1.(c) Part-time employees shall receive the increase authorized by this section on a prorated and equitable basis.

SECTION 35.1.(d) The maximum pay ranges for members of the State Highway Patrol shall be increased, as appropriate, to account for the salary increase awarded by this section.

SECTION 35.1.(e) Any excess funds in the reserve for this legislative compensation increase shall be used as follows:

(1) First, toward any funding shortfalls in order to bring all positions to the salary range minimum under the new Classification and Compensation System.

(2) Second, by the Office of State Human Resources to settle outstanding workers compensation claims.

GOVERNOR AND COUNCIL OF STATE

SECTION 35.2.(a) Effective July 1, 2017, the salary of the Governor as provided by G.S. 147-11(a) reads as rewritten:

"(a) The salary of the Governor shall be ~~one hundred forty-four thousand three hundred ninety-nine dollars ($144,399)~~ one hundred forty-six thousand five hundred sixty-five dollars ($146,565) annually, payable monthly."

SECTION 35.2.(b) Effective July 1, 2017, the annual salaries for members of the Council of State, payable monthly, for the 2017-2019 fiscal biennium are as follows:

Council of State	Annual Salary
Lieutenant Governor	$129,474
Attorney General	129,474
Secretary of State	129,474
State Treasurer	129,474
State Auditor	129,474
Superintendent of Public Instruction	129,474
Agriculture Commissioner	129,474
Insurance Commissioner	129,474
Labor Commissioner	129,474

CERTAIN EXECUTIVE BRANCH OFFICIALS

SECTION 35.3. Effective July 1, 2017, the annual salaries, payable monthly, for the following executive branch officials for the 2017-2019 fiscal biennium are as follows:

Executive Branch Officials	Annual Salary
Chairman, Alcoholic Beverage Control Commission	$115,249
State Controller	160,879
Commissioner of Banks	129,474
Chair, Board of Review, Division of Employment Security	126,981
Members, Board of Review, Division of Employment Security	125,416
Chairman, Parole Commission	126,981
Members of the Parole Commission	117,329
Chairman, Utilities Commission	144,076
Members of the Utilities Commission	129,474
Executive Director, North Carolina Agricultural Finance Authority	112,207

JUDICIAL BRANCH

SECTION 35.4.(a) For the 2017-2019 fiscal biennium, the annual salaries of permanent full-time employees of the Judicial Department whose salaries are not itemized in this act shall not be increased legislatively. Nothing in this section affects G.S. 7A-102 or 7A-171.1.

SECTION 35.4.(b) The annual salaries, payable monthly, for specified judicial branch officials shall remain unchanged for the 2017-2019 fiscal biennium, as follows:

Judicial Branch Officials	Annual Salary
Chief Justice, Supreme Court	$150,086
Associate Justice, Supreme Court	146,191
Chief Judge, Court of Appeals	143,878
Judge, Court of Appeals	140,144
Judge, Senior Regular Resident Superior Court	136,364
Judge, Superior Court	132,584
Chief Judge, District Court	120,490
Judge, District Court	116,710
District Attorney	127,215
Assistant Administrative Officer of the Courts	123,469
Public Defender	127,215
Director of Indigent Defense Services	131,145

SECTION 35.4.(c) The district attorney or public defender of a judicial district, with the approval of the Administrative Officer of the Courts or the Commission on Indigent Defense Services, respectively, shall set the salaries of assistant district attorneys or assistant public defenders, respectively, in that district such that the average salaries of assistant district attorneys or assistant public defenders in that district do not exceed seventy-six thousand seventy-three dollars ($76,073) and the minimum salary of any assistant district attorney or assistant public defender is at least forty thousand three hundred sixty-six dollars ($40,366), effective July 1, 2017.

SECTION 35.4.(d) G.S. 7A-10(c) reads as rewritten:

"(c) In lieu of merit and other increment raises paid to regular State employees, the Chief Justice and each of the Associate Justices shall receive as longevity pay an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means service as a justice or judge of the

General Court of ~~Justice or~~ Justice, as a member of the Utilities ~~Commission.~~ Commission, or as an administrative law judge. Service shall also mean service as a district attorney or as a clerk of superior court."

SECTION 35.4.(e) G.S. 7A-18(b) reads as rewritten:

"(b) In lieu of merit and other increment raises paid to regular State employees, a judge of the Court of Appeals shall receive as longevity pay an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means service as a justice or judge of the General Court of Justice, as a member of the Utilities Commission, as an administrative law judge, or as the Director of the Administrative Office of the Courts. Service shall also mean service as a district attorney or as a clerk of superior court."

SECTION 35.4.(f) G.S. 7A-44(b) reads as rewritten:

"(b) In lieu of merit and other increment raises paid to regular State employees, a judge of the superior court, regular or special, shall receive as longevity pay an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means service as a justice or judge of the General Court of ~~Justice or~~ Justice, as a member of the Utilities ~~Commission~~ Commission, as an administrative law judge, or as director or assistant director of the Administrative Office of the Courts. Service shall also mean service as a district attorney or as a clerk of superior court."

SECTION 35.4.(g) G.S. 7A-144(b) reads as rewritten:

"(b) Notwithstanding merit, longevity and other increment raises paid to regular State employees, a judge of the district court shall receive as longevity pay an annual amount equal to four and eight-tenths percent (4.8%) of the annual salary set forth in the Current Operations Appropriations Act payable monthly after five years of service, nine and six-tenths percent (9.6%) after 10 years of service, fourteen and four-tenths percent (14.4%) after 15 years of service, nineteen and two-tenths percent (19.2%) after 20 years of service, and twenty-four percent (24%) after 25 years of service. "Service" means service as a justice or judge of the General Court of ~~Justice or~~ Justice, as a member of the Utilities ~~Commission~~ Commission, as an administrative law judge, or as director or assistant director of the Administrative Office of the Courts. Service shall also mean service as a district attorney or as a clerk of superior court."

LEGISLATIVE EMPLOYEES

SECTION 35.5. Effective July 1, 2017, the annual salaries of the Legislative Services Officer and of nonelected employees of the General Assembly in effect on June 30, 2017, shall be legislatively increased by the greater of seven hundred fifty dollars ($750.00) or one and one-half percent (1.5%) for the 2017-2019 fiscal biennium. Nothing in this act limits any of the provisions of G.S. 120-32.

GENERAL ASSEMBLY PRINCIPAL CLERKS

SECTION 35.6. Effective July 1, 2017, G.S. 120-37(c) reads as rewritten:

"(c) The principal clerks shall be full-time officers. Each principal clerk shall be entitled to other benefits available to permanent legislative employees and shall be paid an annual salary of ~~one hundred seven thousand nine hundred twenty-eight dollars ($107,928),~~ one hundred nine thousand five hundred forty-seven dollars ($109,547), payable monthly. Each principal clerk shall also receive such additional compensation as approved by the Speaker of

the House of Representatives or the President Pro Tempore of the Senate, respectively, for additional employment duties beyond those provided by the rules of their House. The Legislative Services Commission shall review the salary of the principal clerks prior to submission of the proposed operating budget of the General Assembly to the Governor and shall make appropriate recommendations for changes in those salaries. Any changes enacted by the General Assembly shall be by amendment to this paragraph."

SERGEANTS-AT-ARMS AND READING CLERKS

SECTION 35.7. Effective July 1, 2017, G.S. 120-37(b) reads as rewritten:

"(b) The sergeant-at-arms and the reading clerk in each house shall be paid a salary of ~~four hundred ten dollars ($410.00)~~ four hundred twenty-four dollars ($424.00) per week plus subsistence at the same daily rate provided for members of the General Assembly, plus mileage at the rate provided for members of the General Assembly for one round trip only from their homes to Raleigh and return. The sergeants-at-arms shall serve during sessions of the General Assembly and at such time prior to the convening of, and subsequent to adjournment or recess of, sessions as may be authorized by the Legislative Services Commission. The reading clerks shall serve during sessions only."

COMMUNITY COLLEGES

SECTION 35.8.(a) Effective for the 2017-2019 fiscal biennium:

(1) The annual salaries of community college personnel shall be increased as provided in Section 35.1 of this act.

(2) Funds appropriated for community college personnel salary adjustments (other than the annual salary increases awarded by Section 35.1 of this act) may be used for any one or more of the following purposes: (i) merit pay, (ii) across-the-board increases, (iii) recruitment bonuses, (iv) retention increases, and (v) any other compensation increase pursuant to policies adopted by the State Board of Community Colleges. The State Board of Community Colleges shall make a report on the use of these funds to the Fiscal Research Division no later than March 1, 2018.

SECTION 35.8.(b) Effective July 1, 2017, the minimum salaries for nine-month, full-time curriculum community college faculty for the 2017-2019 fiscal biennium are as follows:

Education Level	Minimum Salary
Vocational Diploma/Certificate or Less	$36,594
Associate Degree or Equivalent	37,106
Bachelor's Degree	39,329
Master's Degree or Education Specialist	41,301
Doctoral Degree	44,144

No full-time faculty member shall earn less than the minimum salary for his or her education level.

The pro rata hourly rate of the minimum salary for each education level shall be used to determine the minimum salary for part-time faculty members.

UNIVERSITY OF NORTH CAROLINA SYSTEM

SECTION 35.9. Effective for the 2017-2019 fiscal biennium, the annual salaries of University of North Carolina SHRA and EHRA employees shall be increased as provided by Section 35.1 of this act.

STATE AGENCY TEACHERS

SECTION 35.10. Employees of schools operated by the Department of Health and Human Services, the Department of Public Safety, the State Board of Education, and employees of the School of Science and Mathematics of the University of North Carolina who are paid on the Teacher Salary Schedule shall be paid as authorized by Section 8.1 of this act.

ALL STATE-SUPPORTED PERSONNEL

SECTION 35.11.(a) Salaries and related benefits for positions that are funded:

(1) Partially from the General Fund or Highway Fund and partially from sources other than the General Fund or Highway Fund shall be increased from the General Fund or Highway Fund appropriation only to the extent of the proportionate part of the salaries paid from the General Fund or Highway Fund.

(2) Fully from sources other than the General Fund or Highway Fund shall be increased as provided by this act. The Director of the Budget may increase expenditures of receipts from these sources by the amount necessary to provide the legislative increase to receipt-supported personnel in the certified budget.

The Director of the Budget may increase expenditures of receipts from these sources in the certified budget by the amount necessary to provide the increases authorized by this Part to receipt-supported personnel. Nothing in this act authorizes the transfer of funds between the General Fund and the Highway Fund for salary increases.

SECTION 35.11.(b) The legislative salary increases provided in this act do not apply to persons separated from service due to resignation, dismissal, reduction in force, death, or retirement or whose last workday is prior to July 1, 2017.

SECTION 35.11.(c) Payroll checks issued to employees after July 1, 2017, that represent payment of services provided prior to July 1, 2017, shall not be eligible for salary increases provided for in this act. This subsection applies to all employees paid from State funds, whether or not subject to or exempt from the North Carolina Human Resources Act, including employees of public schools, community colleges, and The University of North Carolina.

MOST STATE EMPLOYEES

SECTION 35.12. For the 2017-2019 fiscal biennium, except as otherwise expressly provided by this Part, the annual salaries in effect on June 30, 2017, for the following persons shall be legislatively increased only as provided by Section 35.1 of this act:

(1) Permanent full-time State officials and persons whose salaries are set in accordance with the State Human Resources Act.

(2) Permanent full-time State officials and persons in positions exempt from the State Human Resources Act.

(3) Permanent part-time State employees.

(4) Temporary and permanent hourly State employees.

STATE HUMAN RESOURCES/IMPLEMENT CLASSIFICATION AND COMPENSATION SYSTEM REFORM

SECTION 35.13.(a) Effective January 1, 2018, the Office of State Human Resources shall implement fully the new Classification and Compensation System.

SECTION 35.13.(b) During the 2017-2018 fiscal year, the Director of the Budget may adjust budgeted receipts for affected receipt-supported positions and adjust salary appropriations from the Highway Fund in order to implement the new system.

SALARY ADJUSTMENT FUND

SECTION 35.14.(a) The Salary Adjustment Fund is established to make funding available for salary increases in the executive and legislative branches for specified purposes only as authorized in this section. Funds appropriated to the Salary Adjustment Fund by this act, or any other provision of law, shall only be used to fund the following purposes in order to provide competitive salary rates:

(1) Reallocation of positions to higher level job classifications.
(2) In-range adjustments for job change.
(3) Career progression adjustments for demonstrated competencies.
(4) Salary range revisions.
(5) Geographic site differential adjustments.
(6) In-range adjustments for labor market.
(7) In-range adjustments for equity issues.
(8) Any other adjustments related to an increase in job duties or responsibilities or labor market changes.

These adjustments must be documented through data collection and analysis according to accepted human resource professional practices and standards. Further, funds may only be used for salary adjustments for the stated purposes that are in compliance with State Human Commission policies and other provisions of the State Human Resources Act. For the executive branch, funding shall be approved by the State Human Resources Commission or Office of State Human Resources and shall not be used for any other purposes.

SECTION 35.14.(b) The Director of the Budget may transfer to General Fund budget codes from the Salary Adjustment Fund amounts required to support salary adjustments authorized by this section. The Director of the Budget shall consult with the Joint Legislative Commission on Governmental Operations prior to transferring any salary adjustment funds pursuant to this section.

USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED INCREASES

SECTION 35.15.(a) The appropriations set forth in Section 2.1 of this act include appropriations for legislatively mandated salary increases and employee benefits in amounts set forth in the Committee Report described in Section 39.2 of this act. The Office of State Budget and Management shall ensure that those funds are used only for the purposes of legislatively mandated salary increases and employee benefits.

SECTION 35.15.(b) If the Director of the Budget determines that funds appropriated to a State agency for legislatively mandated salary increases and employee benefits exceed the amount required by that agency for those purposes, the Director may reallocate those funds to other State agencies that received insufficient funds for legislatively mandated salary increases and employee benefits.

SECTION 35.15.(c) No later than March 1, 2018, the Office of State Budget and Management shall report to the Joint Legislative Commission on Governmental Operations on the expenditure of funds for legislatively mandated salary increases and employee benefits. This report shall include at least the following information for each State agency for the 2017-2018 fiscal year:

(1) The total amount of funds that the agency received for legislatively mandated salary increases and employee benefits.
(2) The total amount of funds transferred from the agency to other State agencies pursuant to subsection (b) of this section. This section of the report shall identify the amounts transferred to each recipient State agency.
(3) The total amount of funds used by the agency for legislatively mandated salary increases and employee benefits.
(4) The amount of funds expected to revert under subsection (a) of this section.

MITIGATE BONUS LEAVE

SECTION 35.16. During the 2017-2019 fiscal biennium, State agencies, departments, institutions, the North Carolina Community College System, and The University of North Carolina may offer State employees the opportunity to use or to cash in special bonus leave benefits that have accrued pursuant to Section 28.3A of S.L. 2002-126, Section 30.12B(a) of S.L. 2003-284, Section 29.14A of S.L. 2005-276, and Section 35.10A of S.L. 2014-100, but only if all of the following requirements are met:

(1) Employee participation in the program must be voluntary.

(2) Special leave that is liquidated for cash payment to an employee must be valued at the amount based on the employee's current annual salary rate.

(3) By September 1, 2019, a report on the demographic information shall be submitted to the respective agency head or employing agency and to the Fiscal Research Division.

ESTABLISH PAY PLAN RESERVE/FUNDS

SECTION 35.17. Article 4 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"**§ 143C-4-8. Pay Plan Reserve.**

(a) Creation. – The Pay Plan Reserve is established within the General Fund. The General Assembly shall appropriate in the Current Operations Appropriations Act or other appropriations act a specific amount to this reserve for allocation, on an as-needed basis only, to fund statutory and scheduled pay expenses authorized by:

(1) G.S. 20-187.3.

(2) G.S. 7A-102.

(3) G.S. 7A-171.1.

(4) Teacher Salary Schedule, as enacted by the General Assembly.

(5) Pay Plans for Principals and Assistant Principals, as enacted by the General Assembly.

(b) Authorized Uses. – The funds in the Pay Plan Reserve are available to agencies for employee salary and benefit costs only if the amount of funds appropriated for statutory or scheduled salaries and benefits expenses, in any fiscal year, would be insufficient to cover those expenses for eligible employees.

(c) Request for Allocation. – After January 1 of each fiscal year, an agency may request an allocation from the Pay Plan Reserve by submitting proof to the Office of State Budget and Management (OSBM) that the agency has exhausted or is projected to exhaust funds appropriated for statutory or scheduled salary and benefit expenses. The OSBM must certify the need for any allocation before disbursing funds from the reserve. The OSBM shall report to Fiscal Research Division on or before April 1 of each year on any disbursements made from the reserve and regarding projected recurring appropriations necessary to fully fund positions eligible for funding in the next fiscal year. Funds from the reserve may be allocated and reallocated only as expressly provided by this section."

STATE HUMAN RESOURCES/HIRE FROM POOL OF MOST QUALIFIED PERSONS

SECTION 35.18. G.S. 126-14.2 reads as rewritten:

"**§ 126-14.2. Political hirings limited.**

(a) It is the policy of this State that State departments, agencies, and institutions select from the pool of the most qualified persons for State government employment based upon job-related qualifications of applicants for employment using fair and valid selection criteria.

(b) All State departments, agencies, and institutions shall select ~~the most qualified person~~ from the pool of the most qualified persons for State government employment without

regard to political affiliation or political influence. For the purposes of this section, "qualified persons" shall mean each of the State employees or applicants for initial State employment who:

(1) Have timely applied for a position in State government;
(2) Have the essential qualifications for that position; and
(3) Are determined to be substantially more qualified as compared to other applicants for the position, after applying fair and valid job selection criteria, in accordance with G.S. 126-5(e), G.S. 126-7.1, Articles 6 and 13 of this Chapter, and State personnel policies approved by the State Human Resources Commission.

(c) It is a violation of this section if:

(1) The complaining State employee or applicant for initial State employment timely applied for the State government position in question;
(2) The complaining State employee or applicant for initial State employment was not hired into the position;
(3) The complaining State employee or applicant for initial State employment was among the most qualified persons applying for the position as defined in this Chapter;
(4) The successful applicant for the position was not among the most qualified persons applying for the position; and
(5) The hiring decision was based upon political affiliation or political influence.

...."

SALARY-RELATED CONTRIBUTIONS

SECTION 35.19.(a) Effective for the 2017-2019 fiscal biennium, required employer salary-related contributions for employees whose salaries are paid from department, office, institution, or agency receipts shall be paid from the same source as the source of the employee's salary. If an employee's salary is paid in part from the General Fund or Highway Fund and in part from department, office, institution, or agency receipts, required employer salary-related contributions may be paid from the General Fund or Highway Fund only to the extent of the proportionate part paid from the General Fund or Highway Fund in support of the salary of the employee, and the remainder of the employer's requirements shall be paid from the source that supplies the remainder of the employee's salary. The requirements of this section as to source of payment are also applicable to payments on behalf of the employee for hospital medical benefits, longevity pay, unemployment compensation, accumulated leave, workers' compensation, severance pay, separation allowances, and applicable disability income benefits.

SECTION 35.19.(b) Effective July 1, 2017, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2017-2018 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	**State LEOs**	**ORPs**	**CJRS**	**LRS**
Retirement	10.33%	10.33%	6.84%	30.23%	18.27%
Disability	0.14%	0.14%	0.14%	0.00%	0.00%
Death	0.16%	0.16%	0.00%	0.00%	0.00%
Retiree Health	6.06%	6.06%	6.06%	6.06%	6.06%
NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%

Total Contribution Rate	16.69%	21.69%	13.04%	36.29%	24.33%

The rate for teachers and State employees and State law enforcement officers includes one one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement.

SECTION 35.19.(c) Effective July 1, 2018, the State's employer contribution rates budgeted for retirement and related benefits as a percentage of covered salaries for the 2018-2019 fiscal year for teachers and State employees, State law enforcement officers (LEOs), the University and Community Colleges Optional Retirement Programs (ORPs), the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS) are as set forth below:

	Teachers and State Employees	**State LEOs**	**ORPs**	**CJRS**	**LRS**
Retirement	11.42%	11.42%	6.84%	31.40%	18.27%
Disability	0.14%	0.14%	0.14%	0.00%	0.00%
Death	0.16%	0.16%	0.00%	0.00%	0.00%
Retiree Health	6.28%	6.28%	6.28%	6.28%	6.28%
NC 401(k)	0.00%	5.00%	0.00%	0.00%	0.00%
Total Contribution Rate	18.00%	23.00%	13.26%	37.68%	24.55%

The rate for teachers and State employees and State law enforcement officers includes one one-hundredth percent (0.01%) for the Qualified Excess Benefit Arrangement.

SECTION 35.19.(d) Effective July 1, 2017, the maximum annual employer contributions, payable monthly, by the State for each covered employee or retiree for the 2017-2018 fiscal year to the State Health Plan for Teachers and State Employees are (i) Medicare-eligible employees and retirees – four thousand five hundred sixty dollars ($4,560) and (ii) non-Medicare-eligible employees and retirees – five thousand eight hundred sixty-nine dollars ($5,869).

SECTION 35.19.(e) Effective July 1, 2018, the maximum annual employer contributions, payable monthly, by the State for each covered employee or retiree for the 2018-2019 fiscal year to the State Health Plan for Teachers and State Employees are (i) Medicare-eligible employees and retirees – four thousand seven hundred forty-three dollars ($4,743) and (ii) non-Medicare-eligible employees and retirees – six thousand one hundred four dollars ($6,104).

ACCOUNT FOR THE IMPACT OF FUTURE BENEFITS ON TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM

SECTION 35.20.(a) G.S. 135-8 is amended by adding a new subsection to read:

"(h1) Present Value of Future Benefits. – Notwithstanding subsections (d) and (g) of this section, the contributions to the Pension Accumulation Fund shall include a rate per centum of the total annual compensation of all members equal to the additional present value of future benefits related to any pension benefit enhancement or special annual leave bonus granted in the current fiscal year divided by expected current fiscal year compensation. This additional present value of future benefits shall be calculated using an interest assumption rate equal to the interest assumption rate adopted under G.S. 135-6(o) minus two percent (2%)."

SECTION 35.20.(b) It is the intent of the General Assembly to create a reserve upon the initial increase in contributions pursuant to subsection (a) of this section. It is the intent of the General Assembly to appropriate funds to that reserve each time a pension benefit enhancement is made or special bonus leave is granted. The reserve shall be utilized to fund the

additional liability accrued by the Teachers' and State Employees' Retirement System based upon the present value of future benefits related to the pension benefit enhancement or the special annual bonus leave granted. This additional present value of future benefits shall be calculated using an interest assumption rate equal to the interest assumption rate adopted under G.S. 135-6(o) minus two percent (2%).

ELIMINATE RETIREE MEDICAL FOR NEW HIRES

SECTION 35.21.(a) G.S. 135-48.1(18) reads as rewritten:

"(18) Retired employee (retiree). – Retired teachers, State employees, and members of the General Assembly who (i) are receiving monthly retirement benefits from ~~any retirement system supported in whole or in part by contributions of the State of North Carolina,~~the Teachers' and State Employees' Retirement System, the Consolidated Judicial Retirement System, the Legislative Retirement System, or the Optional Retirement Programs established under G.S. 135-5.1 and G.S. 135-5.4 and (ii) earned contributory retirement service in one of these retirement systems prior to July 1, 2018, and did not withdraw that service, so long as the retiree is enrolled."

SECTION 35.21.(b) G.S. 135-48.40 reads as rewritten:

"**§ 135-48.40. Categories of eligibility.**

(a) Noncontributory Coverage. – The following persons are eligible for coverage under the Plan, on a noncontributory basis, subject to the provisions of G.S. 135-48.43:

(1) ~~Retired teachers, State employees, members of the General Assembly,~~ Retired employees as defined in G.S. 135-48.1(18) and retired State law enforcement officers who retired under the Law Enforcement Officers' Retirement System prior to January 1, 1985. Except as otherwise provided in this subdivision, on and after January 1, 1988, a retiring employee or retiree must have completed at least five years of contributory retirement service with an employing unit prior to retirement from any State-supported retirement system in order to be eligible for group benefits under this Part as a retired employee or retiree. For employees first hired on and after October 1, 2006, and members of the General Assembly first taking office on and after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to a requirement that the future retiree have 20 or more years of retirement service credit in order to be covered by the provisions of this subdivision.

...

(b) Partially Contributory Coverage. – The following persons are eligible for coverage under the Plan, on a partially contributory basis, subject to the provisions of G.S. 135-48.43:

...

(3) ~~Retired teachers, State employees, members of the General Assembly,~~ Retired employees as defined in G.S. 135-48.1(18) and retired State law enforcement officers who retired under the Law Enforcement Officers' Retirement System prior to January 1, 1985. Except as otherwise provided in this subdivision, on and after January 1, 1988, a retiring employee or retiree must have completed at least five years of contributory retirement service with an employing unit prior to retirement from any State-supported retirement system in order to be eligible for group benefits under this Part as a retired employee or retiree. For employees first hired on and after October 1, 2006, and members of the General Assembly first taking office on and after February 1, 2007, future coverage as retired employees and retired

members of the General Assembly is subject to a requirement that the future retiree have 20 or more years of retirement service credit in order to be covered by the provisions of this subdivision.

...

(c) One-Half Contributory Coverage. – The following persons are eligible for coverage under the Plan, on a one-half contributory basis, subject to the provisions of G.S. 135-48.43:

...

(2) ~~Employees and members of the General Assembly~~Retired employees as defined in G.S. 135-48.1(18) with 10 but less than 20 years of retirement service credit provided the employees were first hired on or after October 1, 2006, and the members first took office on or after February 1, 2007. For such future retirees, the State shall pay fifty percent (50%) of the Plan's total employer premiums. Individual retirees shall pay the balance of the total premiums not paid by the State.

(d) Fully Contributory Coverage. – The following persons shall be eligible for coverage under the Plan, on a fully contributory basis, subject to the provisions of G.S. 135-48.43:

...

(11) ~~Retired teachers, State employees, and members of the General Assembly~~ Retired employees as defined in G.S. 135-48.1(18) with less than 10 years of retirement service credit, provided the teachers and State employees were first hired on or after October 1, 2006, and the members first took office on or after February 1, 2007.

...."

SECTION 35.21.(c) This section becomes effective July 1, 2018.

STATE TREASURER AUTHORITY OVER STATE HEALTH PLAN EMPLOYEES

SECTION 35.22. G.S. 135-48.23 reads as rewritten:

"**§ 135-48.23. Executive Administrator.**

(a) The Plan shall have an Executive Administrator and a Deputy Executive Administrator. The Executive Administrator and the Deputy Executive Administrator positions are exempt from the provisions of Chapter 126 of the General Statutes as provided in G.S. 126-5(c1).

(b) The Executive Administrator shall be appointed by the State Treasurer. The term of employment and salary of the Executive Administrator shall be set by the State ~~Treasurer after consultation with the Board of Trustees.~~Treasurer.

The Executive Administrator may be removed from office by the State ~~Treasurer after consultation with the Board of Trustees,~~ Treasurer, and any vacancy in the office of Executive Administrator may be filled by the State Treasurer.

(c) The ~~Executive Administrator~~ State Treasurer shall appoint the Deputy Executive ~~Administrator and may employ such clerical and professional staff, and such other assistance as may be necessary to assist the Executive Administrator, the Board of Trustees, and the State Treasurer in carrying out their duties and responsibilities under this Article.~~Administrator. The term of employment and salary of the Deputy Executive Administrator shall be set by the State Treasurer. The Deputy Executive Administrator may be removed from office by the State Treasurer. Any vacancy in the office of the Deputy Executive Administrator may be filled by the State Treasurer.

(c1) The ~~Executive Administrator~~ State Treasurer may designate managerial, professional, or policy-making positions as exempt from the North Carolina Human Resources Act. The State Treasurer may employ clerical staff, professional staff, and other assistance, as may be necessary to assist the State Treasurer, the Executive Administrator, and the Board of Trustees in carrying out their duties and responsibilities under this Article. The term of

employment and salaries of these employees shall be set by the State Treasurer. These employees may be removed from their positions by the State Treasurer, and any vacancies in these positions may be filled by the State Treasurer.

(c2) The Executive Administrator may also negotiate, renegotiate and execute contracts with third parties in the performance of the Executive Administrator's duties and responsibilities under this Article; provided any contract negotiations, renegotiations and execution with a Claims Processor, with an optional alternative comprehensive health benefit plan, or program thereunder, authorized under G.S. 135-48.2, with a preferred provider of institutional or professional hospital and medical care, or with a pharmacy benefit manager shall be done only ~~after consultation~~ with the consent of the State Treasurer.

(d) The Executive Administrator shall quarterly make reports and recommendations on the Plan to the President Pro Tempore of the Senate and the Speaker of the House of Representatives."

MONITOR SALARY INCREASES

SECTION 35.23.(a) The Office of State Budget and Management and the Office of State Human Resources shall submit a semiannual report to the Joint Legislative Commission on Governmental Operations on nonlegislative salary increases in (i) State agencies, departments, and institutions, including authorities, boards, and commissions; (ii) the judicial branch; and (iii) The University of North Carolina and its constituent institutions. The reports required by this section shall include the following information:

(1) For agencies reporting through the BEACON HR/Payroll system, (i) a breakdown by action type (including, but not limited to, promotion, reallocation, career progression, salary adjustment, and any similar actions increasing employee pay) of the number and annual amount of those increases and (ii) a breakdown by action reason (including in-range higher level, acting pay, trainee adjustment, and other similar action reasons) of the number and annual amount of those action types coded as salary adjustment.

(2) For The University of North Carolina and its constituent institutions, a breakdown of the number and annual amount of those increases categorized by the University as promotions, changes in job duties or responsibilities, Distinguished Professorships, retention pay, career progression, and any other similar actions increasing employee pay.

(3) A summary of actions taken by the Office of State Budget and Management and the Office of State Human Resources with respect to unauthorized salary increases.

SECTION 35.23.(b) The Legislative Services Officer shall report semiannually to the President Pro Tempore of the Senate and the Speaker of the House of Representatives on nonlegislative salary increases.

PART XXXVI. CAPITAL APPROPRIATIONS

GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION

SECTION 36.1. The appropriations made by the 2017 General Assembly for capital improvements are for constructing, repairing, or renovating State buildings, utilities, and other capital facilities, for acquiring sites for them where necessary, and for acquiring buildings and land for State government purposes.

CAPITAL APPROPRIATIONS/GENERAL FUND

SECTION 36.2. There is appropriated from the General Fund for the 2017-2019 fiscal biennium the following amounts for capital improvements:

Capital Improvements – General Fund	2017-2018	2018-2019
Department of Environment and Natural Resources		
Water Resources Development	15,648,000	–
Department of Military and Veterans Affairs		
Veterans Memorial Pavilion Construction in Broadway	250,000	–
Department of Natural and Cultural Resources		
NC Zoological Park Transp. Infrastructure Improvements	5,000,000	
TOTAL CAPITAL IMPROVEMENTS – GENERAL FUND	**$20,898,000**	**$0**

WATER RESOURCES DEVELOPMENT PROJECTS

SECTION 36.3.(a) The Department of Environmental Quality shall allocate funds for water resources development projects in accordance with the schedule that follows. The amounts set forth in the schedule include funds appropriated in this act for water resources development projects and funds carried forward from previous fiscal years in accordance with subsection (b) of this section. These funds will provide a State match for an estimated fourteen million eighty-five thousand dollars ($14,085,000) in federal funds.

	Name of Project	2017-2018
(1)	Princeville Flood Damage Reduction	$431,000
(2)	Carolina Beach CSDR (Next cycle plans & specs.)	300,000
(3)	Kure Beach CSDR (Next cycle plans & specs.)	300,000
(4)	Wrightsville Storm Damage Reduction-Constr. Cycle 12	3,000,000
(5)	Wrightsville Storm Damage Reduction- Post-Auth. Change Report	135,000
(6)	Planning Assistance	-
(7)	Wilmington Harbor Maintenance	-
(8)	Morehead City Harbor Maintenance	-
(9)	Surf City/North Topsail Preconstruction Activities	218,000
(10)	West Onslow Beach Preconstruction Activities	218,000
(11)	NRCS EQIP	2,000,000
(12)	State-Local Projects	1,500,000
(13)	Eastern NC Storm Debris Removal	1,000,000
(14)	Cape Fear River Lock & Dam/Fish Ramp Construction	840,000
(15)	New River Storm Damage Mitigation	2,000,000
(16)	Carolina Beach CSDR	1,158,000
(17)	North Topsail Shoreline Protection- Phase 2	500,000
(18)	Perquimans Marine Industrial Park	2,885,000
(19)	Kunz Farm Park Riverwalk	250,000
TOTALS		**$16,760,000**

SECTION 36.3.(b) It is the intent of the General Assembly that funds carried forward from previous fiscal years be used to supplement the fifteen million six hundred forty-eight thousand dollars ($15,648,000) appropriated for water resources development

projects in Section 36.2 of this act. Therefore, the following funds carried forward from previous fiscal years shall be used for the following projects:

	Name of Project	Amount Carried Forward
(1)	Carolina Beach CSDR (Next cycle plans & specs.)	$50,000
(2)	Kure Beach CSDR (Next cycle plans & specs.)	50,000
(3)	Wrightsville Storm Damage Reduction- Constr.	700,000
(4)	Wrightsville Storm Damage Reduction- Post-Auth. Change Report	22,000
(5)	Planning Assistance	25,000
(6)	Surf City/North Topsail Preconstruction Activities	135,000
(8)	West Onslow Beach Preconstruction Activities	130,000
TOTALS		**$1,112,000**

SECTION 36.3.(c) Where the actual costs are different from the estimated costs under subsection (a) of this section, the Department may adjust the allocations among projects as needed. If any projects funded under subsection (a) of this section are delayed and the budgeted State funds cannot be used during the 2017-2018 fiscal year or if the projects funded under subsection (a) of this section are accomplished at a lower cost, the Department may use the resulting fund availability to fund any of the following:

(1) U.S. Army Corps of Engineers project feasibility studies.
(2) U.S. Army Corps of Engineers projects whose schedules have advanced and require State matching funds in the 2017-2018 fiscal year.
(3) State-local water resources development projects.

Funds subject to this subsection that are not expended or encumbered for the purposes set forth in subdivisions (1) through (3) of this subsection shall revert to the General Fund at the end of the 2017-2018 fiscal year.

SECTION 36.3.(d) The Department shall submit semiannual reports on the use of these funds to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Fiscal Research Division, and the Office of State Budget and Management on or before March 1 and September 1. Each report shall include all of the following:

(1) All projects listed in this section.
(2) The estimated cost of each project.
(3) The date that work on each project began or is expected to begin.
(4) The date that work on each project was completed or is expected to be completed.
(5) The actual cost of the project.

The semiannual reports also shall show those projects advanced in schedule, those projects delayed in schedule, and an estimate of the amount of funds expected to revert to the General Fund.

SECTION 36.3.(e) Notwithstanding any provision of law to the contrary, funds appropriated for a water resources development project shall be used to provide no more than fifty percent (50%) of the nonfederal portion of funds for the project. This subsection applies to funds appropriated in this act and to funds appropriated prior to the 2017-2019 fiscal biennium that are unencumbered and proposed for reallocation to provide the nonfederal portion of funds for water resources development projects. The limitation on fund usage contained in this subsection applies only to projects in which a local government or local governments participate. Notwithstanding any other provision of law, this subsection shall not apply to, and there shall be no local match required for, the Environmental Quality Incentives Program.

Furthermore, Section 36.3(e) of S.L. 2013-360, Section 36.2(e) of S.L. 2014-100, and Section 31.3(e) of S.L. 2015-241 shall not apply to funds made available as part of the Environmental Quality Incentives Program in any fiscal year.

SECTION 36.3.(f) Notwithstanding any other provision of law, subsection (e) of this section shall not apply to, and there shall be no local or federal match required for, (i) the Perquimans Marine Industrial Park and (ii) the New River Storm Damage Mitigation.

NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS

SECTION 36.4.(a) The General Assembly authorizes the following capital projects to be funded with receipts or from other non-General Fund sources available to the appropriate department:

Name of Project	Amount of Non-General Fund Funding Authorized FY 2017-2018	FY 2018-2019
Department of Natural and Cultural Resources		
Museum of Art- New Park and Pavilion Building	915,300	–
Wildlife Resources Commission		
Land Acquisition	7,000,000	3,000,000
Infrastructure Repair/Renovation	1,500,000	–
Setzer Hatchery Building Replacement	750,000	–
Boating Access	900,000	900,000
Setzer Hatchery Raceways Replacement	4,500,000	–
Outer Banks Education Center Air Handlers	–	300,000
Burnsville Depot	500,000	–
Butner Lab & Storage Building	500,000	–
Bolivia Depot	750,000	–
New Shooting Ranges	1,000,000	1,000,000
TOTAL AMOUNT OF NON-GENERAL FUND CAPITAL PROJECTS AUTHORIZED	**$18,315,300**	**$5,200,000**

SECTION 36.4.(b) From funds deposited with the State Treasurer in a capital improvement account to the credit of the Department of Agriculture and Consumer Services pursuant to G.S. 146-30, the sum of seventy-five thousand dollars ($75,000) for the 2017-2018 fiscal year and the sum of seventy-five thousand dollars ($75,000) for the 2018-2019 fiscal year shall be transferred to the Department of Agriculture and Consumer Services to be used, notwithstanding G.S. 146-30, by the Department for its plant conservation program under Article 19B of Chapter 106 of the General Statutes for costs incidental to the acquisition of land, such as land appraisals, land surveys, title searches, and environmental studies, and for the management of the plant conservation program preserves owned by the Department.

REPAIRS AND RENOVATIONS RESERVE ALLOCATION

SECTION 36.5.(a) Of the funds in the Reserve for Repairs and Renovations for the 2017-2018 fiscal year, the following allocations shall be made to the following agencies for repairs and renovations pursuant to G.S. 143C-4-3:

(1) One-half of the funds shall be allocated to the Board of Governors of The University of North Carolina.

(2) One-half of the funds shall be allocated to the Office of State Budget and Management.

The Office of State Budget and Management shall consult with or report to the Joint Legislative Commission on Governmental Operations, as appropriate, in accordance with G.S. 143C-4-3(d). The Board of Governors shall report to the Joint Legislative Commission on Governmental Operations in accordance with G.S. 143C-4-3(d).

SECTION 36.5.(b) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for the installation of fire sprinklers in University residence halls. This portion shall be in addition to funds otherwise appropriated in this act for the same purpose. Such funds shall be allocated among the University's constituent institutions by the President of The University of North Carolina, who shall consider the following factors when allocating those funds:

(1) The safety and well-being of the residents of campus housing programs.

(2) The current level of housing rents charged to students and how that compares to an institution's public peers and other UNC institutions.

(3) The level of previous authorizations to constituent institutions for the construction or renovation of residence halls funded from the General Fund or from bonds or certificates of participation supported by the General Fund since 1996.

(4) The financial status of each constituent institution's housing system, including debt capacity, debt coverage ratios, credit rankings, required reserves, the planned use of cash balances for other housing system improvements, and the constituent institution's ability to pay for the installation of fire sprinklers in all residence halls.

(5) The total cost of each proposed project, including the cost of installing fire sprinklers and the cost of other construction, such as asbestos removal and additional water supply needs.

The Board of Governors shall submit progress reports to the Joint Legislative Commission on Governmental Operations. Reports shall include the status of completed, current, and planned projects. Reports also shall include information on the financial status of each constituent institution's housing system, the constituent institution's ability to pay for fire protection in residence halls, and the timing of installation of fire sprinklers. Reports shall be submitted on January 1 and July 1 until all residence halls have fire sprinklers.

SECTION 36.5.(c) Notwithstanding G.S. 143C-4-3(d), of the funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, a portion shall be used each fiscal year by the Board of Governors for campus public safety improvements allowable under G.S. 143C-4-3(b).

SECTION 36.5.(d) In making campus allocations of funds allocated to the Board of Governors of The University of North Carolina in subsection (a) of this section, the Board of Governors shall negatively weight the availability of non-State resources and carryforward funds available for repair and renovations and shall include information about the manner in which this subsection was complied within any report submitted pursuant to G.S. 143C-4-3(d).

SECTION 36.5.(e) Notwithstanding G.S. 143C-4-3, of the funds in the Reserve for Repairs and Renovations for the 2017-2018 fiscal year, the following sums shall be allocated for the following projects:

(1) Three hundred thousand dollars ($300,000) shall be allocated to weatherproof Goodwin Hall and Joiner Hall at the North Carolina School for the Deaf in Morganton.

(2) Four million five hundred thousand dollars ($4,500,000) shall be allocated to the Department of Natural and Cultural Resources for repair and renovation projects at the North Carolina Zoological Park.

(3) Ten million dollars ($10,000,000) shall be allocated for the comprehensive renovation and repurposing of West Hall at the University of North Carolina at Pembroke.

(4) One million five hundred thousand dollars ($1,500,000) shall be allocated to the Department of Public Safety to be provided to the North Carolina National Guard for the demolition of Western Youth Correctional Facility.

(5) Two million dollars ($2,000,000) shall be allocated to the Department of Natural and Cultural Resources for the repairs and renovation projects involving the U.S.S. North Carolina Battleship.

PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS

SECTION 36.6. The appropriations made by the 2017 General Assembly for capital improvements shall be disbursed for the purposes provided by this act. Expenditure of funds shall not be made by any State department, institution, or agency until an allotment has been approved by the Governor as Director of the Budget. The allotment shall be approved only after full compliance with the State Budget Act, Chapter 143C of the General Statutes. Prior to the award of construction contracts for projects to be financed in whole or in part with self-liquidating appropriations, the Director of the Budget shall approve the elements of the method of financing of those projects, including the source of funds, interest rate, and liquidation period. Provided, however, that if the Director of the Budget approves the method of financing a project, the Director shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting.

Where direct capital improvement appropriations include the purpose of furnishing fixed and movable equipment for any project, those funds for equipment shall not be subject to transfer into construction accounts except as authorized by the Director of the Budget. The expenditure of funds for fixed and movable equipment and furnishings shall be reviewed and approved by the Director of the Budget prior to commitment of funds.

Capital improvement projects authorized by the 2017 General Assembly shall be completed, including fixed and movable equipment and furnishings, within the limits of the amounts of the direct or self-liquidating appropriations provided, except as otherwise provided in this act. Capital improvement projects authorized by the 2017 General Assembly for the design phase only shall be designed within the scope of the project as defined by the approved cost estimate filed with the Director of the Budget, including costs associated with site preparation, demolition, and movable and fixed equipment.

REPORTING ON CAPITAL PROJECTS

SECTION 36.7.(a) Definitions. – The following definitions apply in this section:

(1) Capital project. – Any capital improvement, as that term is defined in G.S. 143C-1-1, that is not complete by the effective date of this section and that is funded in whole or in part with State funds, including receipts, non-General Fund sources, or statutorily or constitutionally authorized indebtedness of any kind. This term includes only projects with a total cost of one hundred thousand dollars ($100,000) or more.

(2) Construction phase. – The status of a particular capital project as described using the terms customarily employed in the design and construction industries.

(3) New capital project. – A capital project that is authorized in this act or subsequent to the effective date of this act.

SECTION 36.7.(b) Reporting. – The following reports are required:

(1) By October 1, 2017, and every six months thereafter, each State agency shall report on the status of agency capital projects to the Joint Legislative Commission on Governmental Operations.

(2) By October 1, 2017, and quarterly thereafter, each State agency shall report on the status of agency capital projects to the Fiscal Research Division of the General Assembly and to the Office of State Budget and Management.

SECTION 36.7.(c) The reports required by subsection (b) of this section shall include at least the following information about every agency capital project:

(1) The current construction phase of the project.

(2) The anticipated time line from the current construction phase to project completion.

(3) Information about expenditures that have been made in connection with the project, regardless of source of the funds expended.

(4) Information about the adequacy of funding to complete the project, including estimates of how final expenditures will relate to initial estimates of expenditures, and whether or not scope reductions will be necessary in order to complete the project within its budget.

(5) For new capital projects only, an estimate of the operating costs for the project for the first five fiscal years of its operation.

SECTION 36.7.(d) In addition to the other reports required by this section, on October 1, 2017, and every six months thereafter, the Office of State Construction shall report on the status of the Facilities Condition Assessment Program (FCAP) to the Joint Legislative Commission on Governmental Operations. The report shall include (i) summary information about the average length of time that passes between FCAP assessments for an average State building; (ii) detailed information about when the last FCAP assessment was for each State building complex; and (iii) detailed information about the condition and repairs and renovations needs of each State building complex.

SECTION 36.7.(e) In addition to the other reports required by this section, on October 1, 2017, and quarterly thereafter, the State Construction Office shall report to the Joint Legislative Oversight Committee on Capital Improvements on the status of plan review, approval, and permitting for each State capital improvement project and community college capital improvement project over which the Office exercises plan review, approval, and permitting authority. Each report shall include (i) summary information about the workload of the Office during the previous quarter, including information about the average length of time spent by the State Construction Office on each major function it performs that is related to capital project approval, and (ii) detailed information about the amount of time spent engaged in those functions for each project that the State Construction Office worked on during the previous quarter.

ZOO STATE CONSTRUCTION EXEMPTIONS

SECTION 36.8.(a) G.S. 143-341 reads as rewritten:

"**§ 143-341. Powers and duties of Department.**

The Department of Administration has the following powers and duties:

...

(3) Architecture and Engineering:

a. To examine and approve all plans and specifications for the construction or renovation of:

1. All State buildings or buildings located on State lands, except those buildings over which a local building code inspection department has and exercises jurisdiction; and

2. All community college buildings requiring the estimated expenditure for construction or repair work for which public bidding is required under G.S. 143-129 prior to the awarding of a contract for such work; and to examine and approve all changes in those plans and specifications made after the contract for such work has been awarded.

a1. To organize and schedule, within three weeks of designer selection and before the design contract is let, a meeting of the stakeholders for each State capital improvement project to discuss plan review requirements and to define the terms of the memorandum of understanding developed by the State Building Commission pursuant to G.S. 143-135.26(2). The stakeholders shall include the funded agency, each State agency having plan review responsibilities for the project, and the selected designer. Notwithstanding the foregoing, the meeting need not be scheduled if the funded agency so requests.

b. To assist, as necessary, all agencies in the preparation of requests for appropriations for the construction or renovation of all State buildings.

b1. To certify that a statement of needs pursuant to G.S. 143C-3-3, other than for a project of The University of North Carolina for which advance planning has not been completed, is feasible. For purposes of this sub-subdivision, "feasible" means that the proposed project is sufficiently defined in overall scope; building program; site development; detailed design, construction, and equipment budgets; and comprehensive project scheduling so as to reasonably ensure that it may be completed with the amount of funds requested. At the discretion of the General Assembly, advanced planning funds may be appropriated in support of this certification. This sub-subdivision shall not apply to requests for appropriations of less than one hundred thousand dollars ($100,000).

c. To supervise the letting of all contracts for the design, construction or renovation of all State buildings and all community college buildings whose plans and specifications must be examined and approved under a.2. of this subdivision.

d. To supervise and inspect all work done and materials used in the construction or renovation of all State buildings and all community college buildings whose plans and specifications must be examined and approved under a.2. of this subdivision; to act as the appropriate official inspector or inspection department for purposes of G.S. 143-143.2; and no such work may be accepted by the State or by any State agency until it has been approved by the Department.

e. To require all State agencies to use existing plans and specifications for construction projects, where feasible. Prior to designing a project, State agencies shall consult with the Department of Administration on the availability of appropriate existing plans and specifications and the feasibility of using them for a project.

f. To provide written allocation of the deduction allowed under section 179D of the Code, as defined in G.S. 105-228.90, for designing energy efficient commercial building property that is installed on or in property owned by the State. The allocation must be made in accordance with section 179D of the Code.

Except for sub-subdivisions b., b1., e., and f. of this subdivision, this subdivision does not apply to either (i) the design, construction, or renovation of projects by The University of North Carolina pursuant to ~~G.S. 116-31.11.~~G.S. 116-31.11 or (ii) the North Carolina Zoological Park Council and the Department of Natural and Cultural Resources, with respect to projects at the North Carolina Zoological Park pursuant to G.S. 143B-135.214.

...."

SECTION 36.8.(b) Part 39 of Article 2 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"**§ 143B-135.214. Powers of Council and Department regarding certain fee negotiations, contracts, and capital improvements.**

(a) The exception for the North Carolina Zoological Park set forth in G.S. 143-341(3) shall apply only to projects requiring the estimated expenditure of public money of two million dollars ($2,000,000) or less. The Council and the Department of Natural and Cultural Resources shall, with respect to the design, construction, or renovation of buildings, utilities, and other property developments of the North Carolina Zoological Park that fall below that threshold:

(1) Conduct the fee negotiations for all design contracts and supervise the letting of all construction and design contracts.

(2) Develop procedures governing the responsibilities of the Council and the Department to perform the duties of the Department of Administration under G.S. 133-1.1(d) and G.S. 143-341(3).

(3) Develop procedures and reasonable limitations governing the use of open-end design agreements, subject to the approval of the State Building Commission.

(4) Use existing plans and specifications for construction projects, where feasible. Prior to designing a project, the Council and the Department shall consult with the Department of Administration on the availability of existing plans and specifications and the feasibility of using them for a project.

(b) The Council and Department shall use the standard contracts for design and construction currently in use for State capital improvement projects by the Office of State Construction of the Department of Administration.

(c) A contract may not be divided for the purpose of evading the monetary limit under this section.

(d) Notwithstanding any other provision of this Chapter, the Department of Administration shall not be the awarding authority for contracts awarded pursuant to this section.

(e) This section shall not exempt any capital improvement project from review and approval as may be required by law by the entity having jurisdiction over the subject property.

(f) The Department shall annually report to the State Building Commission the following:

(1) A list of projects governed by this section.

(2) The estimated cost of each project along with the actual cost.

(3) The name of each person awarded a contract under this section.

(4) Whether the person or business awarded a contract under this section meets the definition of "minority business" or "minority person" as defined in G.S. 143-128.2(g)."

REALIGNMENT OF DHHS CAPITAL PROJECTS

SECTION 36.9.(a) Section 23.12(e) of S.L. 2006-66, as amended by Section 2(c) of S.L. 2009-209, reads as rewritten:

"**SECTION 23.12.(e)** In accordance with G.S. 142-83, this subsection authorizes the issuance or incurrence of special indebtedness in the maximum aggregate principal amount of ~~ninety-eight million seven hundred eighty-two thousand five hundred forty dollars ($98,782,540)~~ninety-one million two hundred eighty-two thousand five hundred forty dollars ($91,282,540) to finance the capital facility costs of the Department of Health and Human Services Public Health Laboratory and Office of Chief Medical Examiner. The State, with the prior approval of the State Treasurer and the Council of State, as provided in Article 9 of Chapter 142 of the General Statutes, is authorized to issue or incur special indebtedness in order to provide funds to the State to be used, together with other available funds, to pay the capital facility costs of the project described in this subsection. No more than a maximum aggregate principal amount of twenty million dollars ($20,000,000) of special indebtedness may be issued or incurred under this subsection prior to July 1, 2007."

SECTION 36.9.(b) Section 23.12(f) of S.L. 2006-66, as amended by Section 2(c) of S.L. 2009-209, reads as rewritten:

"**SECTION 23.12.(f)** In accordance with G.S. 142-83, this subsection authorizes the issuance or incurrence of special indebtedness in the maximum aggregate principal amount of ~~one hundred thirty-eight million three hundred twenty-five thousand eight hundred fourteen dollars ($138,325,814)~~one hundred thirty-nine million three hundred twenty-five thousand eight hundred fourteen dollars ($139,325,814) to finance the capital facility costs of the Eastern Regional Psychiatric Hospital for the Department of Health and Human Services. The State, with the prior approval of the State Treasurer and the Council of State, as provided in Article 9 of Chapter 142 of the General Statutes, is authorized to issue or incur special indebtedness in order to provide funds to the State to be used, together with other available funds, to pay the capital facility costs of the project described in this subsection. No more than a maximum aggregate principal amount of twenty million dollars ($20,000,000) of special indebtedness may be issued or incurred under this subsection prior to July 1, 2007. No more than a maximum aggregate principal amount of one hundred million dollars ($100,000,000) of special indebtedness may be issued or incurred under this subsection prior to July 1, 2008."

SECTION 36.9.(c) Section 23.12(h) of S.L. 2006-66, as amended by Section 2(c) of S.L. 2009-209, reads as rewritten:

"**SECTION 23.12.(h)** In accordance with G.S. 142-83, this subsection authorizes the issuance or incurrence of special indebtedness in the maximum aggregate principal amount of ~~one hundred fifty-four million seven hundred seventy-two thousand eight hundred one dollars ($154,772,801)~~one hundred sixty-one million two hundred seventy-two thousand eight hundred one dollars ($161,272,801) to finance the capital facility costs of the Western Regional Psychiatric Hospital for the Department of Health and Human Services. The State, with the prior approval of the State Treasurer and the Council of State, as provided in Article 9 of Chapter 142 of the General Statutes, is authorized to issue or incur special indebtedness in order to provide funds to the State to be used, together with other available funds, to pay the capital facility costs of the project described in this subsection. No special indebtedness may be issued or incurred under this subsection prior to July 1, 2008. No more than a maximum aggregate principal amount of twenty million dollars ($20,000,000) of special indebtedness may be issued or incurred under this subsection prior to July 1, 2009. No more than a maximum aggregate principal amount of fifty-four million dollars ($54,000,000) of special indebtedness may be issued or incurred under this subsection prior to July 1, 2011."

PART XXXVII. DEPARTMENT OF INFORMATION TECHNOLOGY

GOVERNMENT DATA ANALYTICS CENTER/INFRASTRUCTURE AND OPERATIONS

SECTION 37.1. Of the funds appropriated in this act to the Department of Information Technology, Government Data Analytics Center (GDAC), the sum of two million dollars ($2,000,000) for the 2017-2018 fiscal year and the sum of two million dollars ($2,000,000) for the 2018-2019 fiscal year shall be used to fund contract additions that support GDAC infrastructure and operations improvements, including security upgrades to comply with State and federal requirements, and to provide enhanced and expanded GDAC user services, data storage, data integration, and system maintenance.

GOVERNMENT BUDGETS TRANSPARENCY/ACCOUNTABILITY/REPORTING

SECTION 37.2.(a) By September 1, 2017, the State Chief Information Officer, the State Controller, the Office of State Budget and Management (OSBM), and the State Chief Information Officer (State CIO) shall make a detailed written report to the chairs of the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the status of efforts to effectuate the State budget transparency Internet Web site as mandated in Section 7.17 of S.L. 2015-241 to provide information on budget expenditures for each State agency for each fiscal year beginning 2015-2016. Specifically, the reports shall:

(1) Include an explanation of coordination efforts with counties and local education agencies to facilitate the posting of their respective local entity budgetary and spending data on their respective Internet Web sites.

(2) Account for how the appropriated General Funds in the amount of eight hundred fourteen thousand dollars ($814,000) for the 2015-2016 fiscal year were or were not spent toward the purposes of implementation of the mandated transparency requirements.

SECTION 37.2.(b) By January 1, 2018, the Internet Web sites mandated by Section 7.17 of S.L. 2015-241 must be fully functional and:

(1) User friendly with easy-to-use search features and data provided in formats that can be readily downloaded and analyzed.

(2) Include budgeted amounts and actual expenditures for each State agency or local entity budget code.

(3) Include information on receipts and expenditures from and to all sources, including vendor payments, updated on a monthly basis.

SECTION 37.2.(c) Of the funds appropriated to the Department of Information Technology for the 2017-2019 fiscal biennium, the sum of two million dollars ($2,000,000) from the Information Technology Reserve Fund balance shall be used to implement fully the government transparency initiative mandated in Section 7.17 of S.L. 2015-241, including collection of all financial information from all State government agencies, public universities, community colleges, counties, and local school administrative units, with the option for full local government participation (with cities encouraged, but not required, to participate).

SECTION 37.2.(d) Section 7.17 of S.L. 2015-241 reads as rewritten:

"**SECTION 7.17.(a)** In coordination with the State Controller and the Office of State Budget and Management (OSBM), the State Chief Information Officer (State CIO) shall establish a State budget transparency Internet Web site to provide information on budget expenditures for each State agency for each fiscal year beginning 2015-2016.

"**SECTION 7.17.(b)** In addition, the State CIO shall coordinate with counties, ~~cities,~~ and local education agencies to facilitate the posting of their respective local entity budgetary and spending data on their respective Internet Web sites and to provide the data to the Local Government Commission (LGC) to be published, in a standardized format, on the State budget transparency Internet Web site established in subsection (a) of this section.

"**SECTION 7.17.(c)** The Internet Web sites mandated by this section shall be fully functional by April 1, 2016. Each Internet Web site shall:

(1) Be user-friendly with easy-to-use search features and data provided in formats that can be readily downloaded and analyzed by the public.

(2) Include budgeted amounts and actual expenditures for each State agency or local entity budget code.

(3) Include information on receipts and expenditures from and to all sources, including vendor payments, updated on a monthly basis.

"**SECTION 7.17.(d)** Each State agency, county, ~~city,~~ and local education agency shall work with the State CIO, the State Controller, and the OSBM to ensure that complete and accurate budget and spending information is provided in a timely manner as directed by the State CIO. Each State agency Internet Web site shall include a hyperlink to the State's budget transparency Internet Web site. The LGC shall work with the State CIO to post data on the LGC's Internet Web site in a consistent manner that allows comparisons between the local entities providing data under subdivision (2) of subsection (c) of this section.

"**SECTION 7.17.(e)** There is appropriated from the General Fund to the Office of State Budget and Management the sum of eight hundred fourteen thousand dollars ($814,000) for the 2015-2016 fiscal year for the purpose of implementing the provisions of this section."

DATA CENTER CONSOLIDATION

SECTION 37.3.(a) The consolidation of State data centers shall continue as a priority for the 2017-2019 fiscal biennium, however, the Western Data Center in Rutherford County and the Eastern Data Center in Wake County may not be closed or consolidated without express authorization by the General Assembly.

SECTION 37.3.(b) Unless otherwise exempt, State agencies shall continue to use the State infrastructure to host their projects, services, data, and applications, except that the State Chief Information Officer may grant an exception if the State agency demonstrates any of the following:

(1) Using an outside contractor would be more cost-effective for the State.

(2) The Department of Information Technology does not have the technical capabilities required to host the application.

(3) Valid security requirements preclude the use of State infrastructure, and a vendor can provide a more secure environment.

SECTION 37.3.(c) By December 1, 2017, the State Chief Information Officer shall present a report on data center consolidations to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division. On or before May 1, 2018, the State Chief Information Officer shall report to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on the number of physical servers eliminated across all departments as a result of data center consolidation and the savings associated with such elimination.

DEPARTMENT OF INFORMATION TECHNOLOGY TRANSFERS/COMPLETION BY DECEMBER 31, 2017

SECTION 37.4.(a) The transition period mandated by G.S. 143B-1325 for consolidation of the State's information technology functions and personnel under the Department of Information Technology ends effective December 31, 2017, except as provided by subsection (d) of that section.

SECTION 37.4.(b) Effective January 1, 2018, G.S. 143B-1325 reads as rewritten:

"**§ 143B-1325. ~~Transition to~~ State information technology consolidated under Department of Information Technology.**

to develop a fully consolidated statewide ERP solution. To that end, of the funds appropriated in this act to the Statewide Reserves, the sum of three million dollars ($3,000,000) for the 2017-2018 fiscal year, and the sum of ten million dollars ($10,000,000) for the 2018-2019 fiscal year shall be allocated to the Department of Information Technology for Enterprise Resource Planning (ERP) projects.

SECTION 37.6.(b) The Department of Information Technology shall annually report on the progress of the ERP projects to the Joint Legislative Oversight Committee on Information Technology and the Fiscal Research Division on or before January 1.

PART XXXVIII. FINANCE PROVISIONS

LOWER PERSONAL INCOME TAX RATE

SECTION 38.1.(a) G.S. 105-153.7(a) reads as rewritten:

"(a) Tax. – A tax is imposed for each taxable year on the North Carolina taxable income of every individual. The tax shall be levied, collected, and paid annually. The tax is ~~five and four hundred ninety-nine thousandths percent (5.499%)~~ five and thirty-five hundredths percent (5.35%) of the taxpayer's North Carolina taxable income."

SECTION 38.1.(b) This section is effective for taxable years beginning on or after January 1, 2018.

INCREASE STANDARD DEDUCTION

SECTION 38.2.(a) G.S. 105-153.5(a)(1) reads as rewritten:

"(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:

(1) Standard deduction amount. – The standard deduction amount is zero for a person who is not eligible for a standard deduction under section 63 of the Code. For all other taxpayers, the standard deduction amount is equal to the amount listed in the table below based on the taxpayer's filing status:

Filing Status	Standard Deduction
Married, filing jointly/surviving spouse	~~$17,500~~$20,000
Head of Household	~~14,000~~15,000
Single	~~8,750~~10,000
Married, filing separately	~~8,750.~~10,000."

SECTION 38.2.(b) This section is effective for taxable years beginning on or after January 1, 2018.

MODIFY MORTGAGE DEDUCTION

SECTION 38.3.(a) G.S. 105-153.5(a)(2) reads as rewritten:

"(a) Deduction Amount. – In calculating North Carolina taxable income, a taxpayer may deduct from adjusted gross income either the standard deduction amount provided in subdivision (1) of this subsection or the itemized deduction amount provided in subdivision (2) of this subsection that the taxpayer claimed under the Code. The deduction amounts are as follows:

...

(2) Itemized deduction amount. – An amount equal to the sum of the items listed in this subdivision. The amounts allowed under this subdivision are not subject to the overall limitation on itemized deductions under section 68 of the Code:

...

b. Mortgage Expense and Property Tax. – The amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence plus the amount allowed as a deduction for property taxes paid or accrued on real estate under section 164 of the Code for that taxable year. ~~For taxable years 2014, 2015, and 2016, the amount allowed as a deduction for interest paid or accrued during the taxable year under section 163(h) of the Code with respect to any qualified residence shall not include the amount for mortgage insurance premiums treated as qualified residence interest.~~ The amount allowed under this sub-subdivision may not exceed ~~twenty thousand dollars ($20,000). For spouses filing as married filing separately or married filing jointly, the total mortgage interest and real estate taxes claimed by both spouses combined may not exceed twenty thousand dollars ($20,000). For spouses filing as married filing separately with a joint obligation for mortgage interest and real estate taxes, the deduction for these items is allowable to the spouse who actually paid them. If the amount of the mortgage interest and real estate taxes paid by both spouses exceeds twenty thousand dollars ($20,000), these deductions must be prorated based on the percentage paid by each spouse. For joint obligations paid from joint accounts, the proration is based on the income reported by each spouse for that taxable year.~~ the amount listed in the table below based on the taxpayer's filing status:

Filing Status	Cap Amount
Married, filing jointly/surviving spouse	$22,000
Head of Household	16,500
Single	11,000
Married, filing separately	11,000.

...."

SECTION 38.3.(b) This section is effective for taxable years beginning on or after January 1, 2018.

CONVERT CHILD TAX CREDIT TO A DEDUCTION

SECTION 38.4.(a) G.S. 105-153.5 is amended by adding a new subsection to read:

"**§ 105-153.5. Modifications to adjusted gross income.**

...

(a1) Child Deduction Amount. – A taxpayer who is allowed a federal child tax credit under section 24 of the Code for the taxable year is allowed a deduction under this subsection for each dependent child for whom the taxpayer is allowed the federal tax credit. The amount of the deduction is equal to the amount listed in the table below based on the taxpayer's adjusted gross income, as calculated under the Code:

Filing Status	AGI	Deduction Amount
Married, filing jointly/ surviving spouse	Up to $40,000	$2,500.00
	Over $40,000 Up to $60,000	2,000.00
	Over $60,000 Up to $80,000	1,500.00
	Over $80,000 Up to $100,000	1,000.00
	Over $100,000	

	Up to $120,000	500.00
	Over $120,000	0
Head of Household	Up to $30,000	$2,500.00
	Over $30,000	
	Up to $45,000	2,000.00
	Over $45,000	
	Up to $60,000	1,500.00
	Over $60,000	
	Up to $75,000	1,000.00
	Over $75,000	
	Up to $90,000	500.00
	Over $90,000	0
Single	Up to $20,000	$2,500.00
	Over $20,000	
	Up to $30,000	2,000.00
	Over $30,000	
	Up to $40,000	1,500.00
	Over $40,000	
	Up to $50,000	1,000.00
	Over $50,000	
	Up to $60,000	500.00
	Over $60,000	0
Married, filing separately	Up to $20,000	$2,500.00
	Over $20,000	
	Up to $30,000	2,000.00
	Over $30,000	
	Up to $40,000	1,500.00
	Over $40,000	
	Up to $50,000	1,000.00
	Over $50,000	
	Up to $60,000	500.00
	Over $60,000	0."

SECTION 38.4.(b) G.S. 105-153.10 is repealed.

SECTION 38.4.(c) This section is effective for taxable years beginning on or after January 1, 2018.

LOWER CORPORATE INCOME TAX RATE

SECTION 38.5.(a) G.S. 105-130.3 reads as rewritten:

"**§ 105-130.3. Corporations.**

A tax is imposed on the State net income of every C Corporation doing business in this State at the rate of ~~four percent (4%).~~three percent (3%). An S Corporation is not subject to the tax levied in this section."

SECTION 38.5.(b) G.S. 105-130.3, as amended by subsection (a) of this section, reads as rewritten:

"**§ 105-130.3. Corporations.**

A tax is imposed on the State net income of every C Corporation doing business in this State at the rate of ~~three percent (3%).~~two and three-quarters percent (2.75%). An S Corporation is not subject to the tax levied in this section."

SECTION 38.5.(c) G.S. 105-130.3, as amended by subsection (b) of this section, reads as rewritten:

"**§ 105-130.3. Corporations.**

A tax is imposed on the State net income of every C Corporation doing business in this State at the rate of ~~two and three-quarters percent (2.75%).~~two and one-half percent (2.5%). An S Corporation is not subject to the tax levied in this section."

SECTION 38.5.(d) G.S. 105-130.3C is repealed.

SECTION 38.5.(e) Subsection (a) of this section is effective for taxable years beginning on or after January 1, 2017. Subsection (b) of this section is effective for taxable years beginning on or after January 1, 2018. Subsection (c) of this section is effective for taxable years beginning on or after January 1, 2019. The remainder of this section is effective when this act becomes law.

LOWER FRANCHISE TAX FOR S CORPORATIONS

SECTION 38.6.(a) G.S. 105-122 reads as rewritten:

"**§ 105-122. Franchise or privilege tax on domestic and foreign corporations.**

(a) Tax Imposed. – An annual franchise or privilege tax is imposed on a corporation doing business in this ~~State.~~ State for the privilege of doing business in this State and for the continuance of articles of incorporation or domestication of each corporation in this State. The tax is determined on the basis of the books and records of the corporation as of the close of its income year. A corporation subject to the tax must file a return under affirmation with the Secretary at the place and in the manner prescribed by the Secretary. The return must be signed by the president, vice-president, treasurer, or chief financial officer of the corporation. The return is due on or before the fifteenth day of the fourth month following the end of the corporation's income year.

...

(d) Tax ~~Base and Tax Rate. After determining the~~ Base. – A corporation's tax base is the greater of the following:

(1) The proportion of its net worth as set out in subsection (c1) of this ~~section, which amount shall not be less than fifty-five percent (55%)~~ section.

(2) Fifty-five percent (55%) of the corporation's appraised value as determined for ad valorem taxation of all the real and tangible personal property in this ~~State of each corporation nor less than its~~ State. For purposes of this subdivision, the appraised value of tangible property including real estate is the ad valorem valuation for the calendar year next preceding the due date of the franchise tax return.

(3) The corporation's total actual investment in tangible property in this ~~State, every corporation taxed under this section shall annually pay to the Secretary of Revenue, at the time the return is due, a franchise or privilege tax at the rate of one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of the total amount of net worth as provided in this section. The tax imposed in this section shall not be less than two hundred dollars ($200.00) and is for the privilege of carrying on, doing business, and/or the continuance of articles of incorporation or domestication of each corporation in this State. Appraised value of tangible property including real estate is the ad valorem valuation for the calendar year next preceding the due date of the franchise tax return. The term "total~~ State. For purposes of this subdivision, the total actual investment in tangible ~~property" as used in this section means~~ property in this State is the total original purchase price or consideration to the reporting taxpayer of its tangible properties, including real estate, in this

State plus additions and improvements thereto less reserve for depreciation as permitted for income tax purposes.

...

(d2) Tax Rate. – For a C Corporation, as defined in G.S. 105-130.2, the tax rate is one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of the corporation's tax base as determined under subsection (d) of this section. For an S Corporation, as defined in G.S. 105-130.2, the tax rate is two hundred dollars ($200.00) for the first one million dollars ($1,000,000) of the corporation's tax base as determined under subsection (d) of this section and one dollar and fifty cents ($1.50) per one thousand dollars ($1,000) of its tax base that exceeds one million dollars ($1,000,000). In no event may the tax imposed by this section be less than two hundred dollars ($200.00).

...."

SECTION 38.6.(b) This section is effective for taxable years beginning on or after January 1, 2019, and is applicable to the calculation of franchise tax reported on the 2018 and later corporate income tax returns.

MARKET-BASED SOURCING

SECTION 38.7.(a) G.S. 105-130.4 reads as rewritten:

"**§ 105-130.4. Allocation and apportionment of income for corporations.**

...

(*l*) ~~(1) The~~ Sales Factor. – The sales factor is a fraction, the numerator of which is the total sales of the corporation in this State during the income year, and the denominator of which is the total sales of the corporation everywhere during the income year. Notwithstanding any other provision under this Part, the receipts from any casual sale of property shall be excluded from both the numerator and the denominator of the sales factor. Where a corporation is not taxable in another state on its apportionable income but is taxable in another state only because of nonapportionable income, all sales shall be treated as having been made in this State.

Receipts are in this State if the taxpayer's market for the receipts is in this State. If the market for a receipt cannot be determined, the state or states of assignment shall be reasonably approximated. In a case in which a taxpayer cannot ascertain the state or states to which receipts of a sale are to be assigned through the use of a method of reasonable approximation, the receipts must be excluded from the denominator of a taxpayer's sales factor. Except as otherwise provided by this section, a taxpayer's market for receipts is in this State as provided below:

(1) In the case of sale, rental, lease, or license of real property, if and to the extent the property is located in this State.

(2) ~~Sales of tangible personal property are in this State if the property is received in this State by the purchaser. In the case of delivery of goods by common carrier or by other means of transportation, including transportation by the purchaser, the place at which the goods are ultimately received after all transportation has been completed shall be considered as the place at which the goods are received by the purchaser. Direct delivery into this State by the taxpayer to a person or firm designated by a purchaser from within or without the State shall constitute delivery to the purchaser in this State.~~ In the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in this State.

(3) ~~Other sales are in this State if:~~ In the case of sale of tangible personal property, if and to the extent the property is received in this State by the purchaser. In the case of delivery of goods by common carrier or by other means of transportation, including transportation by the purchaser, the place at which the goods are ultimately received after all transportation has been

completed is considered the place at which the goods are received by the purchaser. Direct delivery into this State by the taxpayer to a person or firm designated by a purchaser from within or without the State constitutes delivery to the purchaser in this State.

~~a. The receipts are from real or tangible personal property located in this State; or~~

~~b. The receipts are from intangible property and are received from sources within this State; or~~

~~c. The receipts are from services and the income-producing activities are in this State.~~

(4) In the case of sale of a service, if and to the extent the service is delivered to a location in this State.

(5) In the case of intangible property that is rented, leased, or licensed, if and to the extent the property is used in this State. Intangible property utilized in marketing a good or service to a consumer is "used in this State" if that good or service is purchased by a consumer who is in this State.

(6) In the case of intangible property that is sold, if and to the extent the property is used in this State. A contract right, government license, or similar intangible property that authorized the holder to conduct a business activity in a specific geographic area is "used in this State" if the geographic area includes all or part of this State. Receipts from a sale of intangible property that is contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of the intangible property as provided under subdivision (5) of this subsection. All other receipts from a sale of intangible property shall be excluded from the numerator and denominator of the sales factor.

(*l*1) Banks. – A bank's market for receipts is in this State as provided in G.S. 105-130.4A. For purposes of this section, the term "bank" has the same meaning as defined in G.S. 105-130.4A.

...."

SECTION 38.7.(b) Part 1 of Article 4 of Chapter 105 of the General Statutes is amended by adding a new section to read:

"**§ 105-130.4A. Market-based sourcing for banks.**

(a) Definitions. – The definitions in G.S. 105-130.4 apply to this section, and the following definitions apply to this section:

(1) Bank. – Defined in G.S. 105-130.7B.

(2) Billing address. – The location indicated in the books and records of the taxpayer on the first day of the taxable year, or on the date in the taxable year when the customer relationship began, as the address where any notice, statement, or billing relating to the customer's account is mailed.

(3) Borrower, card holder, or payor is located in this State. – A borrower, credit card holder, or payor whose billing address is in this State.

(4) Card issuer's reimbursement fee. – The fee a taxpayer receives from a merchant's bank because one of the persons to whom the taxpayer has issued a credit, debit, or similar type of card has charged merchandise or services to the card.

(5) Credit card. – A card, or other means of providing information, that entitles the holder to charge the cost of purchases, or a cash advance, against a line of credit.

(g) Net Gains From the Sale of Loans. – The numerator of the receipts factor includes net gains from the sale of loans. Net gains from the sale of loans include income recorded under the coupon stripping rules of section 1286 of the Code. The amount of net gains from the sale of loans that is included in the numerator is determined as follows:

(1) Secured by real property. – The amount of net gains, but not less than zero, from the sale of loans secured by real property is determined by multiplying the net gains by a fraction, the numerator of which is the amount included in the numerator of the receipts factor pursuant to subsection (e) of this section, and the denominator of which is the total amount of interest, fees, and penalties from loans secured by real property.

(2) Not secured by real property. – The amount of net gains, but not less than zero, from the sale of loans not secured by real property is determined by multiplying the net gains by a fraction, the numerator of which is the amount included in the numerator of the receipts factor pursuant to subsection (f) of this section, and the denominator of which is the total amount of interest, fees, and penalties from loans not secured by real property.

(h) Receipts From Interest, Fees, and Penalties From Card Holders. – The numerator of the receipts factor includes interest, fees, and penalties charged to credit, debit, or similar card holders, including annual fees and overdraft fees, if the card holder is located in this State.

(i) Receipts From ATM Fees. – The numerator of the receipts factor includes receipts from fees from the use of an ATM owned or rented by the taxpayer, if the ATM is located in this State. The receipts factor includes all ATM fees that are not forwarded directly to another bank. Receipts from ATM fees that are not sourced under this subsection are sourced pursuant to subsection (*l*) of this section.

(j) Net Gains From the Sale of Credit Card Receivables. – The numerator of the receipts factor includes net gains, but not less than zero, from the sale of credit card receivables multiplied by a fraction, the numerator of which is the amount included in the numerator of the receipts factor pursuant to subsection (h) of this section, and the denominator of which is the taxpayer's total amount of interest, fees, and penalties charged to card holders.

(k) Miscellaneous Receipts. – The numerator of the receipts factor includes all of the following:

(1) Card issuer's reimbursement fees. – Receipts from card issuer's reimbursement fees if the payor is located in this State.

(2) Receipts from merchant's discount. – Receipts from a merchant discount if the payor is located in this State.

(3) Loan servicing fees. – Receipts from loan servicing fees if the payor is located in this State.

(4) Receipts from services. – Receipts from services not otherwise apportioned under this section if the payor is located in this State.

(5) Receipts from investment assets and activities and trading assets and activities. – Receipts from one or more of the following:

a. Interest and dividends from investment assets and activities and trading assets and activities if the payor is located in this State.

b. Net gains and other income, but not less than zero, from investment assets and activities and trading assets and activities multiplied by a fraction, the numerator of which is the amount included in the numerator of the receipts factor pursuant to sub-subdivision a. of this subdivision, and the denominator of which is the taxpayer's total amount of interest and dividends from investment assets and activities and trading assets and activities.

(*l*) All Other Receipts. – All other receipts not specifically enumerated in this section are included in the numerator of the receipts factor if the payor is located in this State."

SECTION 38.7.(c) As directed by Section 38.4(a) of S.L. 2016-94, the Department of Revenue adopted rules regarding the implementation and administration of market-based sourcing principles as if the statutory changes in that section, as set forth again in this section, were law. The Department adopted rules and submitted the rules to the Rules Review Commission. The Rules Review Commission approved the rules on February 16, 2017. As directed by Section 38.4(b) of S.L. 2016-94, the Codifier of Rules will not enter the rules into the Administrative Code until directed to do so by the General Assembly. The Codifier of Rules is directed to enter the rules approved by the Rules Review Commission at its meeting on February 16, 2017, into the Administrative Code.

SECTION 38.7.(d) As directed by Section 38.4(d) of S.L. 2016-94, the Utilities Commission shall adjust the rates for public utilities, excluding water public utilities with less than two hundred thousand dollars ($200,000) in annual operating revenues, for the tax changes in this section. Each utility shall calculate the cumulative net effect of the tax changes and file the calculations with proposed rate changes to reflect the net prospective tax changes in utility customer rates within 60 days of the enactment of this act. Any adjustments required to existing tax assets or liabilities reflected in the utility's books and records required by the tax changes shall be deferred and reflected in customer rates either in the utility's next rate case or earlier if deemed appropriate by the Commission.

SECTION 38.7.(e) Subsections (a) and (b) of this section are effective for taxable years beginning on or after January 1, 2018. The remainder of this section is effective when this act becomes law.

PART XXXIX. MISCELLANEOUS PROVISIONS

STATE BUDGET ACT APPLIES

SECTION 39.1. The provisions of the State Budget Act, Chapter 143C of the General Statutes, are reenacted and shall remain in full force and effect and are incorporated in this act by reference.

COMMITTEE REPORT

SECTION 39.2.(a) The Senate Committee on Appropriations/Base Budget Report on the Base, Expansion, and Capital Budgets for Senate Bill 257, dated May 10, 2017, which was distributed in the Senate and used to explain this act, shall indicate action by the General Assembly on this act and shall, therefore, be used to construe this act, as provided in the State Budget Act, Chapter 143C of the General Statutes, as appropriate, and for these purposes shall be considered a part of this act and, as such, shall be printed as a part of the Session Laws.

SECTION 39.2.(b) The budget enacted by the General Assembly is for the maintenance of the various departments, institutions, and other spending agencies of the State for the 2017-2019 biennial budget as provided in G.S. 143C-3-5. This budget includes the appropriations of State funds as defined in G.S. 143C-1-1(d)(25).

The Director of the Budget submitted a recommended base budget to the General Assembly in the Governor's Recommended Budget for the 2017-2019 fiscal biennium, dated March 2017, and in the Budget Support Document for the various departments, institutions, and other spending agencies of the State. The adjustments to these documents made by the General Assembly are set out in the Committee Report.

SECTION 39.2.(c) The budget enacted by the General Assembly shall also be interpreted in accordance with G.S. 143C-5-5, the special provisions in this act, and other appropriate legislation. In the event that there is a conflict between the line-item budget

certified by the Director of the Budget and the budget enacted by the General Assembly, the budget enacted by the General Assembly shall prevail.

REPORT BY FISCAL RESEARCH DIVISION

SECTION 39.3. The Fiscal Research Division shall issue a report on budget actions taken by the 2017 Regular Session of the General Assembly. The report shall be in the form of a revision of the Committee Report adopted for Senate Bill 257 pursuant to G.S. 143C-5-5. The Director of the Fiscal Research Division shall send a copy of the report issued pursuant to this section to the Director of the Budget. The report shall be published on the General Assembly's Internet Web site for public access.

MOST TEXT APPLIES ONLY TO THE 2017-2019 FISCAL BIENNIUM

SECTION 39.4. Except for statutory changes or other provisions that clearly indicate an intention to have effects beyond the 2017-2019 fiscal biennium, the textual provisions of this act apply only to funds appropriated for, and activities occurring during, the 2017-2019 fiscal biennium.

EFFECT OF HEADINGS

SECTION 39.5. The headings to the Parts, subparts, and sections of this act are a convenience to the reader and are for reference only. The headings do not expand, limit, or define the text of this act, except for effective dates referring to a Part or subpart.

SEVERABILITY CLAUSE

SECTION 39.6. If any section or provision of this act is declared unconstitutional or invalid by the courts, it does not affect the validity of this act as a whole or any part other than the part so declared to be unconstitutional or invalid.

EFFECTIVE DATE

SECTION 39.7. Except as otherwise provided, this act becomes effective July 1, 2017.

N. C. SENATE
COMMITTEE ON APPROPRIATIONS/BASE BUDGET

REPORT
ON THE
BASE, EXPANSION, AND CAPITAL BUDGETS

Senate Bill 257

North Carolina General Assembly

May 10, 2017

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General Fund Availability Statement

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General Fund Availability Statement

		Fiscal Year 2017-18	Fiscal Year 2018-19
1	Unappropriated Balance	208,607,416	306,975,383
2	Disaster Recovery Appropriations (S.L. 2016-124)	(200,928,370)	0
3	Transfer From Savings Reserve	100,928,370	0
4	Revised Unappropriated Balance	108,607,416	0
5			
6	Over Collections FY 2016-17	580,600,000	0
7	Reversions FY 2016-17	271,000,000	0
8	Replenish Savings Reserve (S.L. 2016-124)	(100,928,370)	0
9	Earmarkings of Year End Fund Balance:		
10	Savings Reserve	(263,000,000)	0
11	Repairs and Renovations	(120,000,000)	0
12	**Beginning Unreserved Fund Balance**	**476,279,046**	**306,975,383**
13			
14	**Revenues Based on Existing Tax Structure**	**22,303,700,000**	**23,299,200,000**
15			
16	**Non-tax Revenues**		
17	Investment Income	60,100,000	60,600,000
18	Judicial Fees	240,900,000	240,500,000
19	Disproportionate Share	164,700,000	149,600,000
20	Insurance	75,500,000	75,500,000
21	Master Settlement Agreement (MSA)	127,200,000	127,200,000
22	Other Non-Tax Revenues	180,600,000	182,900,000
23	**Subtotal Non-tax Revenues**	**849,000,000**	**836,300,000**
24			
25			
26	**Total General Fund Availability**	**23,628,979,046**	**24,442,475,383**
27			
28	**Adjustments to Availability: 2017 Session**		
29	Tax Law Changes	(323,700,000)	(709,500,000)
30	Diversion of Taxes from Short-Term Lease or Rental of Motor Vehicles to Highway Fund	(10,000,000)	(10,000,000)
31	Diversion to Savings Reserve (S. L. 2017-5)	0	(91,455,000)
32	Divert additional MSA funds to Golden Leaf	(10,000,000)	(10,000,000)
33	Transfer from Federal Insurance Contributions Act (FICA)	1,500,000	0
34	Transfer to Medicaid Transformation Fund	(75,000,000)	(75,000,000)
35	Transfer from Department of Insurance	660,204	1,056,527
36	Transfer from the Department of the State Treasurer	(5,463,867)	(5,445,410)
37			
38	**Subtotal Adjustments to Availability: 2017 Session**	**(422,003,663)**	**(900,343,883)**
39			
40	**Revised General Fund Availability**	**23,206,975,383**	**23,542,131,500**
41			
42	Less General Fund Net Appropriation	(22,900,000,000)	(23,445,125,555)
43			
44	**Unappropriated Balance Remaining**	**306,975,383**	**97,005,945**

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Summary: General Fund Appropriations

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Summary of General Fund Appropriations Fiscal Year 2017-18 2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget 2017-18	Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	Appropriation 2017-18
Education						
Community Colleges	1,068,233,344	41,930,755	598,000	42,528,755	12.00	1,110,762,099
Public Education	8,739,220,986	250,300,260	10,157,546	260,457,806	(4.00)	8,999,678,792
University System	2,801,596,348	64,693,083	20,210,000	84,903,083	0.00	2,886,499,431
Total Education	**12,609,050,678**	**356,924,098**	**30,965,546**	**387,889,644**	**8.00**	**12,996,940,322**
Health and Human Services						
Central Management and Support	97,331,832	10,994,953	15,927,794	26,922,747	44.00	124,254,579
Aging and Adult Services	44,085,295	51,369	969,549	1,020,918	0.00	45,106,213
Blind and Deaf / Hard of Hearing Services	8,333,453	85,379	0	85,379	0.00	8,418,832
Child Development and Early Education	265,443,810	3,540,619	0	3,540,619	0.00	268,984,429
Health Service Regulation	17,446,527	771,392	220,180	991,572	7.00	18,438,099
Medical Assistance	3,684,796,055	64,055,293	(60,838,651)	3,216,642	0.00	3,688,012,697
Mental Health, Devel. Disabilities & Sub. Abuse Ser.	731,652,688	(21,002,953)	(26,231,063)	(47,234,016)	(25.70)	684,418,672
NC Health Choice	43,446,936	797	(42,988,656)	(42,987,859)	0.00	459,077
Health Benefits	9,671,582	71,080	0	71,080	0.00	9,742,662
Public Health	146,707,017	2,450,781	2,100,000	4,550,781	(5.00)	151,257,798
Social Services	186,595,053	5,199,475	5,461,439	10,660,914	0.00	197,255,967
Vocational Rehabilitation	38,402,154	308,869	0	308,869	0.00	38,711,023
Total Health and Human Services	**5,273,912,402**	**66,527,054**	**(105,379,408)**	**(38,852,354)**	**20.30**	**5,235,060,048**
Justice and Public Safety						
Public Safety	1,935,266,736	40,711,889	1,042,654	41,754,543	(264.00)	1,977,021,279
Judicial Department	513,656,896	2,893,035	0	2,893,035	92.00	516,549,931
Judicial - Indigent Defense	120,156,248	257,573	0	257,573	0.00	120,413,821
Justice	54,793,859	1,040,677	69,576	1,110,253	4.50	55,904,112
Total Justice and Public Safety	**2,623,873,739**	**44,903,174**	**1,112,230**	**46,015,404**	**(167.50)**	**2,669,889,143**
Agriculture, Natural and Economic Resources						
Agriculture and Consumer Services	118,969,776	4,763,399	3,750,000	8,513,399	(7.00)	127,483,175
Commerce	134,414,931	332,804	5,900,000	6,232,804	(3.80)	140,647,735
Commerce - State Aid	15,955,810	(780,017)	100,000	(680,017)	0.00	15,275,793
Environmental Quality	77,854,912	(7,335,262)	150,000	(7,185,262)	(45.50)	70,669,650
Natural and Cultural Resources	166,273,456	5,906,983	3,164,000	9,070,983	(2.00)	175,344,439
Natural and Cultural Resources -- Roanoke Island	555,571	0	0	0	0.00	555,571
Labor	16,521,928	1,009,787	0	1,009,787	0.00	17,531,715
Wildlife Resources Commission	11,328,209	(650,158)	0	(650,158)	1.00	10,678,051
Total Natural and Economic Resources	**541,874,593**	**3,247,536**	**13,064,000**	**16,311,536**	**(57.30)**	**558,186,129**

Summary of General Fund Appropriations Fiscal Year 2017-18 2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget 2017-18	Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	Appropriation 2017-18
General Government						
Administration	61,986,403	229,044	50,000	279,044	(8.35)	62,265,447
Auditor	13,379,738	205,384	0	205,384	(3.00)	13,585,122
General Assembly	63,476,017	1,350,256	300,000	1,650,256	0.00	65,126,273
Governor	5,794,114	93,265	0	93,265	0.00	5,887,379
Governor - Special Projects	2,001,118	507	0	507	0.00	2,001,625
Housing Finance Agency	10,660,000	0	0	0	0.00	10,660,000
Insurance	39,790,684	660,204	0	660,204	(2.00)	40,450,888
Lieutenant Governor	703,302	60,175	30,000	90,175	1.00	793,477
Military and Veterans Affairs	8,199,025	103,888	2,000,000	2,103,888	0.00	10,302,913
Office of Administrative Hearings	5,354,257	551,246	1,076	552,322	6.29	5,906,579
Revenue	83,206,070	1,496,456	0	1,496,456	(3.00)	84,702,526
Secretary of State	12,751,423	319,562	0	319,562	(1.00)	13,070,985
State Board of Elections	6,621,306	(21,236)	0	(21,236)	(3.00)	6,600,070
State Budget and Management	7,960,470	49,373	0	49,373	(1.00)	8,009,843
State Budget and Management -- Special	2,000,000	0	0	0	0.00	2,000,000
State Controller	23,353,209	409,645	(182,996)	226,649	0.00	23,579,858
Treasurer - Operations	10,266,826	(5,463,867)	0	(5,463,867)	(3.00)	4,802,959
Fire Rescue National Guard Pensions & LDD Benefits	26,889,281	756,080	0	756,080	0.00	27,645,361
Total General Government	**384,393,243**	**799,982**	**2,198,080**	**2,998,062**	**(17.06)**	**387,391,305**
Department of Information Technology	**51,279,650**	(14,070)	250,000	235,930	**(5.50)**	**51,515,580**
Statewide Reserves and Debt Service						
Debt Service:						
Interest / Redemption	703,102,238	24,064,101	0	24,064,101	0.00	727,166,339
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	**704,718,618**	**24,064,101**	**0**	**24,064,101**	**0.00**	**728,782,719**

Summary of General Fund Appropriations Fiscal Year 2017-18 2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget 2017-18	Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	Appropriation 2017-18
Statewide Reserves						
Contingency & Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Other Operating Reserves	500,000	0	0	0	0.00	500,000
Classification and Compensation System	0	3,900,000	0	3,900,000	0.00	3,900,000
Statutory Pay Plan Reserve	0	0	20,365,642	20,365,642	0.00	20,365,642
Workers' Compensation Settlement Reserve	0	0	2,000,000	2,000,000	0.00	2,000,000
Salary Adjustment Fund	0	5,000,000	0	5,000,000	0.00	5,000,000
University System Enrollment Reserve	0	46,571,112	0	46,571,112	0.00	46,571,112
Film and Entertainment Grant Fund	0	15,000,000	0	15,000,000	0.00	15,000,000
Supplement Disaster Recovery Act	0	0	70,000,000	70,000,000	0.00	70,000,000
Matching Funds for Disaster Recovery	0	0	80,000,000	80,000,000	0.00	80,000,000
Enterprise Resource Planning	0	0	3,000,000	3,000,000	0.00	3,000,000
Subtotal Statewide Reserves	**5,500,000**	**70,471,112**	**175,365,642**	**245,836,754**	**0.00**	**251,336,754**
Total Reserves and Debt Service	**710,218,618**	**94,535,213**	**175,365,642**	**269,900,855**	**0.00**	**980,119,473**
Total General Fund for Operations	**22,194,602,923**	**566,922,987**	**117,576,090**	**684,499,077**	**(219.06)**	**22,879,102,000**
Capital Improvements						
Water Resources Development Projects	0	0	15,648,000	15,648,000	0.00	15,648,000
Veteran's Memorial	0	0	250,000	250,000	0.00	250,000
North Carolina Zoo Infrastructure Improvements	0	0	5,000,000	5,000,000	0.00	5,000,000
Total Capital Improvements	**0**	**0**	**20,898,000**	**20,898,000**	**0.00**	**20,898,000**
Total General Fund Budget	**22,194,602,923**	**566,922,987**	**138,474,090**	**705,397,077**	**(219.06)**	**22,900,000,000**

Summary of General Fund Appropriations Fiscal Year 2018-19 2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget 2018-19	Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	Appropriation 2018-19
Education						
Community Colleges	1,068,233,344	62,234,305	0	62,234,305	12.00	1,130,467,649
Public Education	8,723,720,986	606,376,746	10,570,441	616,947,187	(4.00)	9,340,668,173
University System	2,851,602,607	97,590,314	1,946,230	99,536,544	0.00	2,951,139,151
Total Education	**12,643,556,937**	**766,201,365**	**12,516,671**	**778,718,036**	**8.00**	**13,422,274,973**
Health and Human Services						
Central Management and Support	97,331,832	26,177,721	14,930,369	41,108,090	66.00	138,439,922
Aging and Adult Services	44,085,295	84,441	969,549	1,053,990	0.00	45,139,285
Blind and Deaf / Hard of Hearing Services	8,333,453	145,219	0	145,219	0.00	8,478,672
Child Development and Early Education	265,443,810	7,067,455	0	7,067,455	0.00	272,511,265
Health Service Regulation	17,446,527	1,385,737	220,180	1,605,917	14.00	19,052,444
Medical Assistance	3,684,796,140	178,217,012	(60,154,411)	118,062,601	0.00	3,802,858,741
Mental Health, Devel. Disabilities & Sub. Abuse Ser.	731,652,688	(49,022,381)	(27,216,655)	(76,239,036)	(25.70)	655,413,652
Health Benefits	9,671,582	115,118	0	115,118	0.00	9,786,700
NC Health Choice	43,446,936	1,313	(43,052,011)	(43,050,698)	0.00	396,238
Public Health	146,713,455	3,035,039	0	3,035,039	(5.00)	149,748,494
Social Services	186,595,053	7,944,497	8,860,216	16,804,713	0.00	203,399,766
Vocational Rehabilitation	38,419,567	513,159	0	513,159	0.00	38,932,726
Total Health and Human Services	**5,273,936,338**	**175,664,330**	**(105,442,763)**	**70,221,567**	**49.30**	**5,344,157,905**
Justice and Public Safety						
Public Safety	1,935,343,754	61,159,997	250,000	61,409,997	(246.50)	1,996,753,751
Judicial Department	515,073,634	8,675,723	0	8,675,723	92.00	523,749,357
Judicial - Indigent Defense	120,508,461	855,471	0	855,471	0.00	121,363,932
Justice	54,796,127	1,648,949	0	1,648,949	4.50	56,445,076
Total Justice and Public Safety	**2,625,721,976**	**72,340,140**	**250,000**	**72,590,140**	**(150.00)**	**2,698,312,116**
Agriculture, Natural and Economic Resources						
Agriculture and Consumer Services	118,971,776	5,890,101	250,000	6,140,101	(7.00)	125,111,877
Commerce	134,414,931	321,729	0	321,729	(3.80)	134,736,660
Commerce - State Aid	15,955,810	(780,017)	0	(780,017)	0.00	15,175,793
Environmental Quality	77,854,912	(6,700,329)	0	(6,700,329)	(45.50)	71,154,583
Natural and Cultural Resources	166,277,458	7,348,476	0	7,348,476	(2.00)	173,625,934
Natural and Cultural Resources -- Roanoke Island	555,571	0	0	0	0.00	555,571
Labor	16,529,525	1,207,162	0	1,207,162	0.00	17,736,687
Wildlife Resources Commission	11,328,209	(535,604)	0	(535,604)	1.00	10,792,605
Total Natural and Economic Resources	**541,888,192**	**6,751,518**	**250,000**	**7,001,518**	**(57.30)**	**548,889,710**

Summary of General Fund Appropriations Fiscal Year 2018-19 2017 Legislative Session						
		Legislative Changes				Revised Net
	Base Budget 2018-19	Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	Appropriation 2018-19
General Government						
Administration	61,986,403	609,775	0	609,775	(8.35)	62,596,178
Auditor	13,379,738	357,707	0	357,707	(3.00)	13,737,445
General Assembly	63,476,017	2,055,362	0	2,055,362	0.00	65,531,379
Governor	5,794,114	151,138	0	151,138	0.00	5,945,252
Governor - Special Projects	2,001,118	507	0	507	0.00	2,001,625
Housing Finance Agency	10,660,000	0	0	0	0.00	10,660,000
Insurance	39,792,849	1,056,527	0	1,056,527	(2.00)	40,849,376
Lieutenant Governor	703,302	67,964	0	67,964	1.00	771,266
Military and Veterans Affairs	8,199,025	173,273	0	173,273	0.00	8,372,298
Office of Administrative Hearings	5,354,257	650,530	0	650,530	6.29	6,004,787
Revenue	83,206,070	2,334,815	0	2,334,815	(3.00)	85,540,885
Secretary of State	12,812,071	469,546	0	469,546	(1.00)	13,281,617
State Board of Elections	6,621,306	41,095	0	41,095	(3.00)	6,662,401
State Budget and Management	7,960,470	124,071	0	124,071	(1.00)	8,084,541
State Budget and Management -- Special	2,000,000	0	0	0	0.00	2,000,000
State Controller	23,353,209	596,257	0	596,257	0.00	23,949,466
Treasurer - Operations	10,266,826	(5,445,410)	0	(5,445,410)	(3.00)	4,821,416
Fire Rescue National Guard Pensions & LDD Benefits	26,889,281	1,106,080	0	1,106,080	0.00	27,995,361
Total General Government	**384,456,056**	**4,349,237**	**0**	**4,349,237**	**(17.06)**	**388,805,293**
Department of Information Technology	**51,279,650**	382,194	0	382,194	(5.50)	**51,661,844**
Statewide Reserves and Debt Service						
Debt Service:						
Interest / Redemption	703,102,238	67,356,498	0	67,356,498	0.00	770,458,736
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	**704,718,618**	**67,356,498**	**0**	**67,356,498**	**0.00**	**772,075,116**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

	Base Budget 2018-19	Legislative Changes				Revised Net Appropriation 2018-19
		Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	
Statewide Reserves						
Contingency & Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Other Operating Reserves	500,000	0	0	0	0.00	500,000
Classification and Compensation System	0	7,800,000	0	7,800,000	0.00	7,800,000
Statutory Pay Plan Reserve	0	0	21,503,791	21,503,791	0.00	21,503,791
Salary Adjustment Fund	0	5,000,000	0	5,000,000	0.00	5,000,000
University System Enrollment Reserve	0	94,734,518	0	94,734,518	0.00	94,734,518
Public Schools Average Daily Membership Reserve	0	48,410,289	0	48,410,289	0.00	48,410,289
Film and Entertainment Grant Fund	0	15,000,000	0	15,000,000	0.00	15,000,000
NC Promise Tuition Plan	0	11,000,000	0	11,000,000	0.00	11,000,000
Enterprise Resource Planning	0	0	10,000,000	10,000,000	0.00	10,000,000
Subtotal Statewide Reserves	**5,500,000**	**181,944,807**	**31,503,791**	**213,448,598**	**0.00**	**218,948,598**
Total Reserves and Debt Service	**710,218,618**	**249,301,305**	**31,503,791**	**280,805,096**	**0.00**	**991,023,714**
Total General Fund for Operations	**22,231,057,767**	**1,274,990,089**	**(60,922,301)**	**1,214,067,788**	**(172.56)**	**23,445,125,555**
Capital Improvements						
Total Capital Improvements	**0**	**0**	**0**	**0**	**0.00**	**0**
Total General Fund Budget	**22,231,057,767**	**1,274,990,089**	**(60,922,301)**	**1,214,067,788**	**(172.56)**	**23,445,125,555**

Education
Section F

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Public Education
Budget Code 13510

General Fund Budget

	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$13,023,846,639	$13,008,346,639
Receipts	$4,284,625,653	$4,284,625,653
Net Appropriation	$8,739,220,986	$8,723,720,986
Legislative Changes		
Requirements	$296,190,102	$652,198,321
Receipts	$35,732,296	$35,251,134
Net Appropriation	$260,457,806	$616,947,187
Revised Budget		
Requirements	$13,320,036,741	$13,660,544,960
Receipts	$4,320,357,949	$4,319,876,787
Net Appropriation	$8,999,678,792	$9,340,668,173

General Fund FTE

Base Budget	1,138.45	1,138.45
Legislative Changes	(6.00)	(6.00)
Revised Budget	1,132.45	1,132.45

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Public Education										
Budget Code 13510		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	DPI - Executive and Administrative Functions	8,402,697	3,628,649	4,774,048	219,513	-	219,513	8,622,210	3,628,649	4,993,561
1021	DPI - Education Innovations - 21st Century Schools	1,273,180	375,498	897,682	-	-	-	1,273,180	375,498	897,682
1100	DPI - Assistance to Districts and Schools	27,587,380	22,216,974	5,370,406	-	-	-	27,587,380	22,216,974	5,370,406
1300	DPI - Financial and Business Services	3,752,551	836,474	2,916,077	18,753,007	-	18,753,007	22,505,558	836,474	21,669,084
1330	DPI - Student and School Support Services	17,071,036	12,688,176	4,382,860	-	-	-	17,071,036	12,688,176	4,382,860
1400	Office of Early Learning	77,343,346	69,704,768	7,638,578	-	-	-	77,343,346	69,704,768	7,638,578
1410	NC Center for the Advancement of Teaching	3,377,147	200	3,376,947	300,000	-	300,000	3,677,147	200	3,676,947
1450	K-3 Assessment	2,748,986	2,748,986	-	-	-	-	2,748,986	2,748,986	-
1500	DPI - Technology Services	10,346,154	3,382,537	6,963,617	-	-	-	10,346,154	3,382,537	6,963,617
1600	DPI - Curriculum, Instruction, Accountability & Tech	60,253,921	48,133,468	12,120,453	(73,848)	-	(73,848)	60,180,073	48,133,468	12,046,605
1640	DPI - Educator Quality and Recruitment	20,864,862	19,441,994	1,422,868	336,204	-	336,204	21,201,066	19,441,994	1,759,072
1660	DPI - Special Populations	46,171,928	43,396,353	2,775,575	(800,000)	-	(800,000)	45,371,928	43,396,353	1,975,575
1800	K-12 Classroom Instruction -SPSF	7,377,797,048	615,835,919	6,761,961,129	9,087,582	27,413,328	(18,325,746)	7,386,884,630	643,249,247	6,743,635,383
1808	SPSF - Statewide System Ops and Maintenance	10,258,861	-	10,258,861	-	-	-	10,258,861	-	10,258,861
1810	SPSF - Local Education Agency - Administration	94,915,960	-	94,915,960	(10,000,000)	-	(10,000,000)	84,915,960	-	84,915,960
1811	Assistance to Districts and Schools - SPSF	2,063,612,732	2,063,612,732	-	-	-	-	2,063,612,732	2,063,612,732	-
1821	SPSF - Ed Innovations - 21st Century Schools	33,285,254	-	33,285,254	(2,199,336)	-	(2,199,336)	31,085,918	-	31,085,918
1830	SPSF - Student and School Support Services	737,580,266	202,489,369	535,090,897	-	(25,830,750)	25,830,750	737,580,266	176,658,619	560,921,647
1840	SPSF - Teacher Quality and Recruitment	459,798,944	459,798,944	-	-	-	-	459,798,944	459,798,944	-
1860	SPSF - Special Populations	1,696,820,130	694,936,512	1,001,883,618	-	-	-	1,696,820,130	694,936,512	1,001,883,618
1862	NC School for the Deaf	8,686,358	237,283	8,449,075	-	-	-	8,686,358	237,283	8,449,075
1863	Eastern NC School for the Deaf	8,100,571	242,584	7,857,987	-	-	-	8,100,571	242,584	7,857,987
1864	Governor Morehead School and Preschool	5,879,394	196,114	5,683,280	-	-	-	5,879,394	196,114	5,683,280
1870	SPSF - LEA - Supplemental Benefits	180,410,828	-	180,410,828	-	-	-	180,410,828	-	180,410,828
1900	Reserves and Transfers	58,056,139	20,722,119	37,334,020	(3,835,000)	6,145,461	(9,980,461)	54,221,139	26,867,580	27,353,559
1901	Pass-through Grants	9,450,966	-	9,450,966	300,000	-	300,000	9,750,966	-	9,750,966
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	208,423,113	28,004,257	180,418,856	208,423,113	28,004,257	180,418,856
N/A	State Retirement Contribution	-	-	-	21,667,722	-	21,667,722	21,667,722	-	21,667,722
N/A	State Health Plan Reserve	-	-	-	32,107,889	-	32,107,889	32,107,889	-	32,107,889
N/A	Enrollment Adjustment	-	-	-	31,897,244	-	31,897,244	31,897,244	-	31,897,244
N/A	Average Certified Personnel Salaries	-	-	-	3,165,790	-	3,165,790	3,165,790	-	3,165,790
N/A	Department of Public Instruction	-	-	-	(13,159,778)	-	(13,159,778)	(13,159,778)	-	(13,159,778)
Total		**$13,023,846,639**	**$4,284,625,653**	**$8,739,220,986**	**$296,190,102**	**$35,732,296**	**$260,457,806**	**$13,320,036,741**	**$4,320,357,949**	**$8,999,678,792**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Public Education		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13510										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	DPI - Executive and Administrative Functions	8,402,697	3,628,649	4,774,048	(80,487)	-	(80,487)	8,322,210	3,628,649	4,693,561
1021	DPI - Education Innovations - 21st Century Schools	1,273,180	375,498	897,682	-	-	-	1,273,180	375,498	897,682
1100	DPI - Assistance to Districts and Schools	27,587,380	22,216,974	5,370,406	-	-	-	27,587,380	22,216,974	5,370,406
1300	DPI - Financial and Business Services	3,752,551	836,474	2,916,077	10,570,441	-	10,570,441	14,322,992	836,474	13,486,518
1330	DPI - Student and School Support Services	17,071,036	12,688,176	4,382,860	-	-	-	17,071,036	12,688,176	4,382,860
1400	Office of Early Learning	77,343,346	69,704,768	7,638,578	-	-	-	77,343,346	69,704,768	7,638,578
1410	NC Center for the Advancement of Teaching	3,377,147	200	3,376,947	300,000	-	300,000	3,677,147	200	3,676,947
1450	K-3 Assessment	2,748,986	2,748,986	-	-	-	-	2,748,986	2,748,986	-
1500	DPI - Technology Services	10,346,154	3,382,537	6,963,617	-	-	-	10,346,154	3,382,537	6,963,617
1600	DPI - Curriculum, Instruction, Accountability & Tech	60,253,921	48,133,468	12,120,453	(73,848)	-	(73,848)	60,180,073	48,133,468	12,046,605
1640	DPI - Educator Quality and Recruitment	20,864,862	19,441,994	1,422,868	336,204	-	336,204	21,201,066	19,441,994	1,759,072
1660	DPI - Special Populations	46,171,928	43,396,353	2,775,575	(800,000)	-	(800,000)	45,371,928	43,396,353	1,975,575
1800	K-12 Classroom Instruction -SPSF	7,362,297,048	615,835,919	6,746,461,129	22,136,457	27,413,328	(5,276,871)	7,384,433,505	643,249,247	6,741,184,258
1808	SPSF - Statewide System Ops and Maintenance	10,258,861	-	10,258,861	-	-	-	10,258,861	-	10,258,861
1810	SPSF - Local Education Agency - Administration	94,915,960	-	94,915,960	(15,000,000)	-	(15,000,000)	79,915,960	-	79,915,960
1811	Assistance to Districts and Schools - SPSF	2,063,612,732	2,063,612,732	-	-	-	-	2,063,612,732	2,063,612,732	-
1821	SPSF - Ed Innovations - 21st Century Schools	33,285,254	-	33,285,254	(2,199,336)	-	(2,199,336)	31,085,918	-	31,085,918
1830	SPSF - Student and School Support Services	737,580,266	202,489,369	535,090,897	-	(25,830,750)	25,830,750	737,580,266	176,658,619	560,921,647
1840	SPSF - Teacher Quality and Recruitment	459,798,944	459,798,944	-	-	-	-	459,798,944	459,798,944	-
1860	SPSF - Special Populations	1,696,820,130	694,936,512	1,001,883,618	-	-	-	1,696,820,130	694,936,512	1,001,883,618
1862	NC School for the Deaf	8,686,358	237,283	8,449,075	-	-	-	8,686,358	237,283	8,449,075
1863	Eastern NC School for the Deaf	8,100,571	242,584	7,857,987	-	-	-	8,100,571	242,584	7,857,987
1864	Governor Morehead School and Preschool	5,879,394	196,114	5,683,280	-	-	-	5,879,394	196,114	5,683,280
1870	SPSF - LEA - Supplemental Benefits	180,410,828	-	180,410,828	-	-	-	180,410,828	-	180,410,828
1900	Reserves and Transfers	58,056,139	20,722,119	37,334,020	2,115,000	-	2,115,000	60,171,139	20,722,119	39,449,020
1901	Pass-through Grants	9,450,966	-	9,450,966	-	-	-	9,450,966	-	9,450,966
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	444,346,099	33,668,556	410,677,543	444,346,099	33,668,556	410,677,543
N/A	State Retirement Contribution	-	-	-	100,514,154	-	100,514,154	100,514,154	-	100,514,154
N/A	State Health Plan Reserve	-	-	-	68,038,146	-	68,038,146	68,038,146	-	68,038,146
N/A	Enrollment Adjustment	-	-	-	31,897,244	-	31,897,244	31,897,244	-	31,897,244
N/A	Average Certified Personnel Salaries	-	-	-	3,258,025	-	3,258,025	3,258,025	-	3,258,025
N/A	Department of Public Instruction	-	-	-	(13,159,778)	-	(13,159,778)	(13,159,778)	-	(13,159,778)
Total		$13,008,346,639	$4,284,625,653	$8,723,720,986	$652,198,321	$35,251,134	$616,947,187	$13,660,544,960	$4,319,876,787	$9,340,668,173

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Public Education					
Budget Code 13510		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	DPI - Executive and Administrative Functions	51.99	(4.00)	(2.00)	45.99
1021	DPI - Education Innovations - 21st Century Schools	26.00	-	-	26.00
1100	DPI - Assistance to Districts and Schools	70.59	-	-	70.59
1300	DPI - Financial and Business Services	39.00	-	-	39.00
1330	DPI - Student and School Support Services	103.73	-	-	103.73
1400	Office of Early Learning	83.75	-	-	83.75
1410	NC Center for the Advancement of Teaching	40.75	-	-	40.75
1450	K-3 Assessment	12.00	-	-	12.00
1500	DPI - Technology Services	82.00	-	-	82.00
1600	DPI - Curriculum, Instruction, Accountability & Tech	166.30	(1.00)	-	165.30
1640	DPI - Educator Quality and Recruitment	44.89	1.00	-	45.89
1660	DPI - Special Populations	73.70	-	-	73.70
1800	K-12 Classroom Instruction -SPSF	-	-	-	-
1808	SPSF - Statewide System Ops and Maintenance	-	-	-	-
1810	SPSF - Local Education Agency - Administration	-	-	-	-
1811	Assistance to Districts and Schools - SPSF	-	-	-	-
1821	SPSF - Ed Innovations - 21st Century Schools	-	-	-	-
1830	SPSF - Student and School Support Services	-	-	-	-
1840	SPSF - Teacher Quality and Recruitment	-	-	-	-
1860	SPSF - Special Populations	-	-	-	-
1862	NC School for the Deaf	137.33	-	-	137.33
1863	Eastern NC School for the Deaf	125.33	-	-	125.33
1864	Governor Morehead School and Preschool	81.08	-	-	81.08
1870	SPSF - LEA - Supplemental Benefits	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
1901	Pass-through Grants	-	-	-	-
Total FTE		1,138.45	(4.00)	(2.00)	1,132.45

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Public Education					
Budget Code 13510		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	DPI - Executive and Administrative Functions	51.99	(4.00)	(2.00)	45.99
1021	DPI - Education Innovations - 21st Century Schools	26.00	-	-	26.00
1100	DPI - Assistance to Districts and Schools	70.59	-	-	70.59
1300	DPI - Financial and Business Services	39.00	-	-	39.00
1330	DPI - Student and School Support Services	103.73	-	-	103.73
1400	Office of Early Learning	83.75	-	-	83.75
1410	NC Center for the Advancement of Teaching	40.75	-	-	40.75
1450	K-3 Assessment	12.00	-	-	12.00
1500	DPI - Technology Services	82.00	-	-	82.00
1600	DPI - Curriculum, Instruction, Accountability & Tech	166.30	(1.00)	-	165.30
1640	DPI - Educator Quality and Recruitment	44.89	1.00	-	45.89
1660	DPI - Special Populations	73.70	-	-	73.70
1800	K-12 Classroom Instruction -SPSF	-	-	-	-
1808	SPSF - Statewide System Ops and Maintenance	-	-	-	-
1810	SPSF - Local Education Agency - Administration	-	-	-	-
1811	Assistance to Districts and Schools - SPSF	-	-	-	-
1821	SPSF - Ed Innovations - 21st Century Schools	-	-	-	-
1830	SPSF - Student and School Support Services	-	-	-	-
1840	SPSF - Teacher Quality and Recruitment	-	-	-	-
1860	SPSF - Special Populations	-	-	-	-
1862	NC School for the Deaf	137.33	-	-	137.33
1863	Eastern NC School for the Deaf	125.33	-	-	125.33
1864	Governor Morehead School and Preschool	81.08	-	-	81.08
1870	SPSF - LEA - Supplemental Benefits	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
1901	Pass-through Grants	-	-	-	-
Total FTE		**1,138.45**	**(4.00)**	**(2.00)**	**1,132.45**

Public Education

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$8,739,220,986**		**$8,723,720,986**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
1 Compensation Increase Reserve - Teachers **Fund Code:** N/A Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$130,925,181	R	$360,804,650	R
2 School Based Administrator Compensation **Fund Code:** N/A Budgets $28,004,257 in FY 2017-18 and $33,668,556 in FY 2018-19 from lottery proceeds to increase principal and assistant principal compensation. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.				
3 Compensation Increase Reserve - LEA Employees **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$48,241,878	R	$48,241,878	R
4 Compensation Increase Reserve - State Agency Teachers/School Based Administrators **Fund Code:** N/A Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$266,283	R	$645,501	R

	FY 17-18		FY 18-19	
5 Compensation Increase Reserve - DPI **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$985,514	R	$985,514	R
6 State Retirement Contributions - School District Personnel **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$21,505,919	R	$99,763,568	R
7 State Retirement Contributions - DPI **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$161,803	R	$750,586	R
8 State Health Plan - School District Personnel **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$31,939,125	R	$67,680,526	R
9 State Health Plan - DPI **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$168,764	R	$357,620	R

	FY 17-18		FY 18-19	
10 Salary Steps for Highly Qualified Teacher Graduates **Fund Code:** 1800 Provides funds for highly qualified graduates of an approved educator preparation program to receive additional creditable experience on the teacher "A" salary schedule. The additional creditable experience will allow these graduates to receive a higher salary if they are teaching in a low performing school, are licensed in a special education or a Science, Technology, Engineering, and Mathematics (STEM) field, or are considered a highly qualified graduate. The revised net appropriation for this program is $700,000 in each year of the biennium.	$700,000	R	$700,000	R

B. Technical Adjustments

11 Average Daily Membership (ADM) **Fund Code:** N/A Revises allotted FY 2017-18 ADM to reflect 9,120 more students than are included in the FY 2016-17 allotted ADM. This revision includes adjustments to multiple position, dollar, and categorical allotments. Funding associated with projected FY 2018-19 ADM growth is reserved in the "Reserves, Debt Service, and Adjustments" section of this report.	$31,897,244	R	$31,897,244	R
12 Average Certified Personnel Salaries **Fund Code:** N/A Revises funding for certified personnel salaries based on actual salary data from December 2016. The adjustment does not increase any salary paid to certified personnel, nor does it increase the number of guaranteed State-funded teachers, administrators, or instructional support personnel.	$3,165,790	R	$3,258,025	R

C. State Public School Fund

13 New Driver Safety Incentive Program **Fund Code:** 1830 Replaces receipts from the Civil Penalty and Forfeiture Fund with a General Fund appropriation to the New Driver Safety Incentive Program. These funds will be used to reimburse eligible NC students, up to $275, for the cost of a public or private driver education course, the successful completion of which is required to apply for a learner's permit. The revised net appropriation for this new program is $25.8 million in each year of the biennium.	$25,830,750	R	$25,830,750	R

	FY 17-18		FY 18-19	
14 Bonuses for Charter School Teachers				
Fund Code: 1800	$400,000	NR		
Provides funds to expand two bonus programs established in Sections 8.8 and 8.9 of S.L. 2016-94 to include charter school teachers. Charter school teachers may receive retroactive bonuses for FY 2016-17 as well as bonuses payable in FY 2017-18. These bonus programs include the Advanced Placement/International Baccalaureate Teacher Bonuses and the Career and Technical Education Teacher Bonuses. The revised net appropriation for these bonus programs is $5.9 million in FY 2017-18.				
15 Teacher Bonuses			$14,900,000	R
Fund Code: 1800				
Provides funds to make three Bonus Pilot Programs recurring. These bonus programs include the Third Grade Reading Teacher Performance Bonuses, Advanced Placement/International Baccalaureate Teacher Bonuses, and the Career and Technical Education Teacher Bonuses. The revised net appropriation for these three bonuses in FY 2018-19 is $14.9 million.				
16 Textbooks and Digital Materials	$10,000,000	R	$10,000,000	R
Fund Code: 1800	$1,100,000	NR		
Provides additional funds for the textbooks and digital materials allotment. School districts may utilize funds from this allotment to purchase digital content made available by the Department of Public Instruction (DPI) through its Home Base system. The revised net appropriation for textbooks and digital materials is $66.6 million in FY 2017-18 and $65.5 million in FY 2018-19.				
17 Geographically Isolated Schools	$506,064	R	$506,064	R
Fund Code: 1800				
Increases funding for geographically isolated schools to include schools that newly qualify for funding. A school designated as geographically isolated receives one additional classroom teacher position per grade in the isolated school. A school is considered geographically isolated if consolidation is not feasible and it is either located in a school district in which the ADM is less than 1.5 per square mile or it is located in a school district in a county containing more than 150,000 acres of National Forest owned by the federal government and managed by the United States Forest Service. The revised net appropriation for geographically isolated schools is $829,209 in each year of the biennium.				

	FY 17-18		FY 18-19	
18 Central Office Administration **Fund Code:** 1810 Reduces State funding for the central office administration allotment by 10.5% in FY 2017-18 and 15.8% in FY 2018-19. The revised net appropriation for the central office administration allotment is $84.9 million in FY 2017-18 and $79.9 million in FY 2018-19.	($10,000,000)	R	($15,000,000)	R
19 Small Specialty High School **Fund Code:** 1821 Aligns budgeted funds to actual expenditures for small specialty high schools. The revised net appropriation for these schools is $1.8 million in each year of the biennium and fully funds all participating high schools.	($2,199,336)	R	($2,199,336)	R
20 Small County Supplemental Funding **Fund Code:** 1800 Aligns budgeted funds to actual expenditures for the small county supplemental allotment. School districts eligible for funding will continue to receive a dollar allotment according to the schedule created in S.L. 2014-100. The revised net appropriation for this allotment is $45.6 million in FY 2017-18 and $45.3 million in FY 2018-19 and fully funds all participating school districts.	($3,618,482)	R	($3,969,607)	R
21 State Public School Fund **Fund Code:** 1800 Adjusts the budget to reflect receipts from the Civil Penalty and Forfeiture Fund to the State Public School Fund (SPSF) and reduces the net General Fund appropriation in a like amount. Total requirements for the SPSF are not affected by this shift. The revised net appropriation for the SPSF in fund code 1800 is $6.7 billion in each year of the biennium.	($27,413,328)	R	($27,413,328)	R

	FY 17-18		FY 18-19	
D. Department of Public Instruction				
22 Business System Modernization				
Fund Code: 1300	$18,753,007	NR	$10,570,441	NR
Provides funding for the implementation of the School Business System Modernization Plan. S.L. 2016-94 directed the State Board of Education to develop a plan to modernize systems used by DPI. The plan includes an Enterprise Resource Planning (ERP) system for integrated payroll and human resources information, an integrated State level licensure system, and reporting of financial information for increased transparency and analytics. The revised net appropriation for Business System Modernization is $18.8 million in FY 2017-18 and $10.6 million in FY 2018-19.				
23 Legal Fees				
Fund Code: 1000	$300,000	NR		
Provides funds to the Office of State Superintendent for legal fees for active lawsuits. The revised net appropriation for legal fees for this purpose is $300,000 in FY 2017-18 only.				
24 Professional Educator Preparation	$200,000	R	$200,000	R
Fund Code: 1640	2.00		2.00	
Provides funds for two positions to support Educator Preparation Approval and Evaluation at DPI. The revised net appropriation for these positions is $200,000 in each year of the biennium.				
25 North Carolina Center for the Advancement of Teaching	$300,000	R	$300,000	R
Fund Code: 1410				
Provides additional funds to DPI for the North Carolina Center for the Advancement of Teaching (NCCAT). The revised net appropriation for NCCAT is $3.7 million in each year of the biennium.				
26 Licensure Fee Reimbursement for New Teachers	$245,000	R	$245,000	R
Fund Code: 1640				
Provides funds to DPI to reimburse the initial teacher licensure application fee for first time applicants. An applicant must be a graduate of an approved educator preparation program in North Carolina and must have successfully earned an initial teaching license in North Carolina. The revised net appropriation for this program is $245,000 in each year of the biennium.				

	FY 17-18		FY 18-19	
27 Positions for the State Superintendent **Fund Code:** 1000 Provides funding to the Office of the State Superintendent to support up to 5 positions which will be exempt from the State Human Resource Act and report directly to the State Superintendent. The revised net appropriation for the Office of the State Superintendent of $1.5 million in each year of the biennium.	$432,644	R	$432,644	R
28 Position Elimination **Fund Code:** 1000 Eliminates a filled Research Associate receipt-supported position (60009919) at DPI. The revised net appropriation for fund code 1000 is $4.8 million in each year of the biennium.				
29 Position Elimination **Fund Code:** 1600 Eliminates a filled Digital Learning Plan Project Coordinator position (665024592) at DPI. The revised net appropriation for fund code 1600 is $12 million in each year of the biennium.	($73,848) -1.00	R	($73,848) -1.00	R
30 Position Elimination **Fund Code:** 1640 Eliminates a filled Director of External Meetings & Special Projects position (60039125) at DPI. The revised net appropriation for fund code 1640 is $1.3 million in each year of the biennium.	($108,796) -1.00	R	($108,796) -1.00	R
31 State Board of Education **Fund Code:** 1000 Reduces funding to the State Board of Education, including the elimination of the following filled positions: 60009391 - Director of State Board Operations (1.00) 60009394 - Legislative and Community Affairs Director (1.00) 60009395 - Legislative Specialist (1.00) 60009490 - Associate State School Superintendent (1.00) One receipt-supported Planning and Development Consultant II position (65023814) is also eliminated. The revised net appropriation for the State Board of Education is $315,255 in each year of the biennium.	($513,131) -4.00	R	($513,131) -4.00	R

	FY 17-18		FY 18-19	
32 Governor's School of North Carolina **Fund Code:** 1660 Eliminates net General Fund appropriations for the Governor's School, a five and one-half week summer residential program for intellectually gifted high school students. The revised total requirements of the Governor's School budget is $325,000 in receipts in each year of the biennium.	($800,000)	R	($800,000)	R
33 Management Flexibility Reduction **Fund Code:** N/A Reduces DPI operating funds by 25%. The revised net appropriation to DPI after this reduction is $39.5 million in each year of the biennium.	($13,159,778)	R	($13,159,778)	R

E. Reserves and Transfers

34 Teacher Assistant Tuition Reimbursement Program **Fund Code:** 1900 Expands the teacher assistant tuition reimbursement pilot program to Alamance-Burlington, Beaufort, Bertie, Duplin, Edenton-Chowan, Edgecombe, Guilford, Halifax, Nash-Rocky Mount, Northampton, Randolph, Tyrrell, Vance, and Washington County Schools. The pilot program provides tuition reimbursement of up to $4,500 annually for 5 teacher assistants per school district who are pursuing a college degree that will result in teacher licensure. The revised net appropriation for this program is $427,500 in each year of the biennium.	$315,000	R	$315,000	R
35 Coding and Mobile Application Grant Program **Fund Code:** 1900 Provides funds to DPI to establish a Coding and Mobile Application Grant Program. Funds appropriated for the program shall be used to award competitive grants each fiscal year. Grant funds shall be used for the purchase of equipment, digital materials, and related capacity building activities. Grant recipients shall use no more than 5% of the grant award each fiscal year for administrative costs. The revised net appropriation for this program is $400,000 in FY 2017-18 and $800,000 in FY 2018-19.	$400,000	R	$800,000	R

	FY 17-18		FY 18-19	
36 NC Education Endowment Fund			$1,000,000	R
Fund Code: 1900	($4,550,000)	NR		
Reduces funding for the North Carolina Education Endowment Fund by $4.55 million on a one-time basis in FY 2017-18 and transfers $450,000 in remaining funds to the North Carolina State Education Assistance Authority for start-up funds to reinstate the NC Teaching Fellows Program. An additional $1 million in funding is provided for the Endowment Fund to support the Teaching Fellows program in FY 2018-19. The revised net appropriation to the Endowment Fund is $0 in FY 2017-18 and $6 million in FY 2018-19.				
37 Cash Balance				
Fund Code: 1900	($6,145,461)	NR		
Reduces the net appropriation to DPI on a nonrecurring basis to reflect a one-time transfer of the cash balance in the North Carolina Education Endowment Fund. Total funding available to DPI remains unchanged. The revised net appropriation to DPI's operating budget is $46.5 million in FY 2017-18 and $52.6 million in FY 2017-18.				
F. Grants				
38 Eastern North Carolina STEM				
Fund Code: 1901	$300,000	NR		
Provides funds to the State Board of Education to contract with an independent entity to administer a residential STEM enrichment program for underserved students. Participation in the program is limited to students enrolled in Northampton County Schools, Weldon City Schools, Roanoke Rapids City Schools and KIPP Pride High School in Gaston, NC. The revised net appropriation for Eastern NC STEM is $300,000 in FY 2017-18 only.				
Total Legislative Changes	**$250,300,260**	R	**$606,376,746**	R
	$10,157,546	NR	**$10,570,441**	NR
Total Position Changes	-4.00		-4.00	
Revised Budget	**$8,999,678,792**		**$9,340,668,173**	

DPI - Trust Special

Budget Code: 63501

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$7,440,151**		**$1,294,690**	
Recommended Budget				
Requirements	**$6,000,000**		**$6,000,000**	
Receipts	**$5,000,000**		**$5,000,000**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
North Carolina Education Endowment Fund Increases the recurring transfer from DPI's General Fund budget to the Endowment Fund by $1 million for the Teaching Fellows Program.in FY 2018-19. The revised net appropriation for the Teaching Fellows Program in FY 2018-19 is $6 million.	$0 $0 0.00	R NR	$1,000,000 $0 0.00	R NR
North Carolina Education Endowment Fund Transfers the cash balance estimated to be $6,145,461 by the end of the fiscal year to the DPI to offset the Department's operating budget in FY 2017-18.	 $6,145,461 0.00	R NR	 $0 0.00	R NR
North Carolina Education Endowment Fund Makes a technical adjustment to remove the $1 million reserve line-item on a recurring basis and decreases the $5 million reserve line-item on a nonrecurring basis in FY 2017-18 only.	($1,000,000) ($5,000,000) 0.00	R NR	($1,000,000) $0 0.00	R NR
Subtotal Legislative Changes	**($1,000,000)** **$1,145,461** 0.00	R NR	**$0** **$0** 0.00	R NR
Receipts:				

	FY 2017-18		FY 2018-19	
North Carolina Education Endowment Fund	$0	R	$1,000,000	R
Decrease the $5 million transfer from DPI's General Fund budget to the Endowment Fund on a nonrecurring basis in FY 2017-18 and increases the transfer from DPI's General Fund budget to the Endowment Fund by $1 million for the Teaching Fellows Program on a recurring basis starting in FY 2018-19. The revised net appropriation for the Endowment Fund is $6 million in FY 2018-19.	($5,000,000)	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$1,000,000**	R
	($5,000,000)	NR	**$0**	NR
Revised Total Requirements	**$6,145,461**		**$6,000,000**	
Revised Total Receipts	**$0**		**$6,000,000**	
Change in Fund Balance	**($6,145,461)**		**$0**	
Total Positions	**0.00**		**0.00**	
Unappropriated Balance Remaining	**$1,294,690**		**$1,294,690**	

Community Colleges
Budget Code 16800

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$1,465,717,504	$1,465,717,504
Receipts	$397,484,160	$397,484,160
Net Appropriation	$1,068,233,344	$1,068,233,344
Legislative Changes		
Requirements	$42,704,716	$61,218,526
Receipts	$175,961	($1,015,779)
Net Appropriation	$42,528,755	$62,234,305
Revised Budget		
Requirements	$1,508,422,220	$1,526,936,030
Receipts	$397,660,121	$396,468,381
Net Appropriation	$1,110,762,099	$1,130,467,649

General Fund FTE		
Base Budget	198.45	198.45
Legislative Changes	17.00	17.00
Revised Budget	215.45	215.45

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Community Colleges										
Budget Code 16800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Executive Division	4,295,020	393,211	3,901,809	98,000	-	98,000	4,393,020	393,211	3,999,809
1200	Technology Solutions and Distance Learning	16,239,958	399,237	15,840,721	-	-	-	16,239,958	399,237	15,840,721
1300	Finance and Operations	3,293,213	467,758	2,825,455	-	-	-	3,293,213	467,758	2,825,455
1400	Academic and Student Services	7,115,243	4,258,348	2,856,895	-	-	-	7,115,243	4,258,348	2,856,895
1620	Curriculum Instruction	710,356,004	339,077,583	371,278,421	-	-	-	710,356,004	339,077,583	371,278,421
1621	Basic Skill Instruction	68,884,343	16,655,363	52,228,980	-	-	-	68,884,343	16,655,363	52,228,980
1622	Continuing Education and Workforce Development	107,400,338	15,472,866	91,927,472	(100,000)	-	(100,000)	107,300,338	15,472,866	91,827,472
1623	Equipment and Instructional Resources	53,736,606	1,773,844	51,962,762	-	-	-	53,736,606	1,773,844	51,962,762
1624	Specialized Centers and Programs	11,897,231	1,233,917	10,663,314	940,000	-	940,000	12,837,231	1,233,917	11,603,314
1625	Institutional and Academic Support	517,794,493	933,398	516,861,095	-	-	-	517,794,493	933,398	516,861,095
1900	Reserves and Transfers	(35,294,945)	16,818,635	(52,113,580)	2,892,055	1,541,740	1,350,315	(32,402,890)	18,360,375	(50,763,265)
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	28,138,960	-	28,138,960	28,138,960	-	28,138,960
N/A	State Retirement Contribution	-	-	-	3,400,956	-	3,400,956	3,400,956	-	3,400,956
N/A	State Health Plan Reserve	-	-	-	3,778,079	-	3,778,079	3,778,079	-	3,778,079
N/A	Enrollment Adjustment	-	-	-	3,556,666	(1,365,779)	4,922,445	3,556,666	(1,365,779)	4,922,445
Total		**$1,465,717,504**	**$397,484,160**	**$1,068,233,344**	**$42,704,716**	**$175,961**	**$42,528,755**	**$1,508,422,220**	**$397,660,121**	**$1,110,762,099**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Community Colleges		Base Budget			Legislative Changes			Revised Budget		
Budget Code 16800										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Executive Division	4,295,020	393,211	3,901,809	-	-	-	4,295,020	393,211	3,901,809
1200	Technology Solutions and Distance Learning	16,239,958	399,237	15,840,721	-	-	-	16,239,958	399,237	15,840,721
1300	Finance and Operations	3,293,213	467,758	2,825,455	-	-	-	3,293,213	467,758	2,825,455
1400	Academic and Student Services	7,115,243	4,258,348	2,856,895	-	-	-	7,115,243	4,258,348	2,856,895
1620	Curriculum Instruction	710,356,004	339,077,583	371,278,421	-	-	-	710,356,004	339,077,583	371,278,421
1621	Basic Skill Instruction	68,884,343	16,655,363	52,228,980	-	-	-	68,884,343	16,655,363	52,228,980
1622	Continuing Education and Workforce Development	107,400,338	15,472,866	91,927,472	(100,000)	-	(100,000)	107,300,338	15,472,866	91,827,472
1623	Equipment and Instructional Resources	53,736,606	1,773,844	51,962,762	-	-	-	53,736,606	1,773,844	51,962,762
1624	Specialized Centers and Programs	11,897,231	1,233,917	10,663,314	4,640,000	-	4,640,000	16,537,231	1,233,917	15,303,314
1625	Institutional and Academic Support	517,794,493	933,398	516,861,095	-	-	-	517,794,493	933,398	516,861,095
1900	Reserves and Transfers	(35,294,945)	16,818,635	(52,113,580)	1,200,315	350,000	850,315	(34,094,630)	17,168,635	(51,263,265)
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	28,138,960	-	28,138,960	28,138,960	-	28,138,960
N/A	State Retirement Contribution	-	-	-	15,776,656	-	15,776,656	15,776,656	-	15,776,656
N/A	State Health Plan Reserve	-	-	-	8,005,929	-	8,005,929	8,005,929	-	8,005,929
N/A	Enrollment Adjustment	-	-	-	3,556,666	(1,365,779)	4,922,445	3,556,666	(1,365,779)	4,922,445
Total		$1,465,717,504	$397,484,160	$1,068,233,344	$61,218,526	($1,015,779)	$62,234,305	$1,526,936,030	$396,468,381	$1,130,467,649

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Community Colleges					
Budget Code 16800		Base	Legislative Changes		Revised
	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Executive Division	35.45	-	-	35.45
1200	Technology Solutions and Distance Learning	80.00	-	-	80.00
1300	Finance and Operations	35.00	-	-	35.00
1400	Academic and Student Services	48.00	-	-	48.00
1620	Curriculum Instruction	-	-	-	-
1621	Basic Skill Instruction	-	-	-	-
1622	Continuing Education and Workforce Development	-	-	-	-
1623	Equipment and Instructional Resources	-	-	-	-
1624	Specialized Centers and Programs	-	-	-	-
1625	Institutional and Academic Support	-	-	-	-
1900	Reserves and Transfers	-	12.00	5.00	17.00
Total FTE		198.45	12.00	5.00	215.45

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Community Colleges					
Budget Code 16800		Base	Legislative Changes		Revised
	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Executive Division	35.45	-	-	35.45
1200	Technology Solutions and Distance Learning	80.00	-	-	80.00
1300	Finance and Operations	35.00	-	-	35.00
1400	Academic and Student Services	48.00	-	-	48.00
1620	Curriculum Instruction	-	-	-	-
1621	Basic Skill Instruction	-	-	-	-
1622	Continuing Education and Workforce Development	-	-	-	-
1623	Equipment and Instructional Resources	-	-	-	-
1624	Specialized Centers and Programs	-	-	-	-
1625	Institutional and Academic Support	-	-	-	-
1900	Reserves and Transfers	-	12.00	5.00	17.00
Total FTE		**198.45**	**12.00**	**5.00**	**215.45**

Community Colleges

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$1,068,233,344**		**$1,068,233,344**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
39 Compensation Increase Reserve - System Office **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$246,346	R	$246,346	R
40 Compensation Increase Reserve - Community Colleges **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19	$17,892,614	R	$17,892,614	R
41 Compensation Increase Reserve - Community Colleges - Salary Adjustments **Fund Code:** N/A Provides funding for salary increases to Community College personnel supported by net appropriations. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$10,000,000	R	$10,000,000	R
42 State Retirement Contributions - System Office **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$45,921	R	$213,023	R

	FY 17-18		FY 18-19	
43 State Retirement Contributions - Community Colleges **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$3,355,035	R	$15,563,633	R
44 State Health Plan - System Office **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$35,438	R	$75,094	R
45 State Health Plan - Community Colleges **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$3,742,641	R	$7,930,835	R
B. Technical and Formula Adjustments				
46 Enrollment Growth Adjustment **Fund Code:** Multiple Adjusts funds for the biennium based on the increase in community college enrollment. The Community College System total enrollment increased by 803 Full Time Equivalent (FTE) students (0.4%) from the budgeted amount in the FY 2016-17 certified budget.	$4,922,445	R	$4,922,445	R
47 Bionetwork Grants **Fund Code:** 1622 Aligns budgeted funds to actual expenditures for Bionetwork Grants. The revised net appropriation for Bionetwork Grants is $4.2 million in each year of the biennium.	($100,000)	R	($100,000)	R

	FY 17-18		FY 18-19	
48 Specialized Centers and Programs	($160,000)	R	($160,000)	R
Fund Code: 1624				
Aligns budgeted funds to actual expenditures for certain Specialized Centers and Programs, including: Childcare Grants ($85,000) Minority Male Mentoring ($75,000) The revised net appropriation in each year of the biennium for Childcare Grants is $1.8 million, and for Minority Male Mentoring is $735,000.				
C. Other Adjustments				
49 Workforce Training Costs Study				
Fund Code: 1100	$98,000	NR		
Provides funds for a study to assess instructional and related costs for workforce training courses. The revised net appropriation for the Workforce Training Costs Study is $98,000 in FY 2017-18 only.				
50 NC Works Career Coaches	$1,100,000	R	$1,800,000	R
Fund Code: 1624				
Provides additional funds for the NC Works Career Coaches program, which places career coaches employed by local community colleges with partnering high schools. The revised net appropriation for NC Works Career Coaches is $2.1 million in FY 2017-18 and $2.8 million in FY 2018-19.				
51 Start-Up Fund for High-Cost Workforce Programs			$3,000,000	R
Fund Code: 1624				
Provides funds to assist colleges with start-up costs for certain workforce training programs. The revised net appropriation for the start-up fund is $0 in FY 2017-18 and $3 million in FY 2018-19.				
52 Apprenticeship NC	$850,315	R	$850,315	R
Fund Code: 1900	$500,000	NR		
	12.00		12.00	
Provides funding to establish the budget for the transfer of the Apprenticeship NC program from the Department of Commerce to the NC Community College System as a Type I transfer as per G.S. 143A-6, which also includes $350,000 in federal Workforce Innovation and Opportunity Act receipts and $1.2 million in additional nonrecurring federal grant receipts. An additional $500,000 is provided in FY 2017-18 to support the program. The revised net appropriation for Apprenticeship NC is $1.5 million in FY 2017-18 and $850,315 in FY 2018-19.				

Senate Appropriations Committee on Education/Higher Education	FY 17-18		FY 18-19	
Total Legislative Changes	**$41,930,755**	R	**$62,234,305**	R
	$598,000	NR		
Total Position Changes	12.00		12.00	
Revised Budget	**$1,110,762,099**		**$1,130,467,649**	

UNC System
Multiple Budget Codes

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$4,654,716,690	$4,704,722,949
Receipts	$1,853,120,342	$1,853,120,342
Net Appropriation	$2,801,596,348	$2,851,602,607
Legislative Changes		
Requirements	$85,353,083	$105,536,544
Receipts	$450,000	$6,000,000
Net Appropriation	$84,903,083	$99,536,544
Revised Budget		
Requirements	$4,740,069,773	$4,810,259,493
Receipts	$1,853,570,342	$1,859,120,342
Net Appropriation	$2,886,499,431	$2,951,139,151

General Fund FTE		
Base Budget	35,141.07	35,141.07
Legislative Changes	0.00	0.00
Revised Budget	35,141.07	35,141.07

UNC System		Base Budget			Legislative Changes			Revised Budget		
Bdgt Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
16010	UNC-Board of Governors	42,219,268	46,899	42,172,369	-	-	-	42,219,268	46,899	42,172,369
16011	UNC-Board of Governors - Institutional	40,443,966	-	40,443,966	7,401,695	-	7,401,695	47,845,661	-	47,845,661
16012	UNC-BOG-Related Educational Programs	156,500,476	48,031,975	108,468,501	2,250,000	450,000	1,800,000	158,750,476	48,481,975	110,268,501
16015	Aid to Private Colleges	154,719,754	-	154,719,754	450,000	-	450,000	155,169,754	-	155,169,754
16020	UNC-Chapel Hill	604,235,515	351,926,396	252,309,119	(4,000,000)	-	(4,000,000)	600,235,515	351,926,396	248,309,119
16021	UNC-Chapel Hill - Health Affairs	302,961,243	116,296,211	186,665,032	3,000,000	-	3,000,000	305,961,243	116,296,211	189,665,032
16022	UNC-Chapel Hill - Area Health Education Center	48,783,693	-	48,783,693	8,000,000	-	8,000,000	56,783,693	-	56,783,693
16030	North Carolina State University - Academic	785,685,015	378,036,965	407,648,050	2,000,000	-	2,000,000	787,685,015	378,036,965	409,648,050
16031	NC State University - Agricultural Research	67,294,843	14,657,938	52,636,905	-	-	-	67,294,843	14,657,938	52,636,905
16032	NC State University - Cooperative Extension Service	54,481,275	16,086,044	38,395,231	3,500,000	-	3,500,000	57,981,275	16,086,044	41,895,231
16040	UNC-Greensboro	246,798,025	96,641,251	150,156,774	-	-	-	246,798,025	96,641,251	150,156,774
16050	UNC-Charlotte	381,565,121	155,188,429	226,376,692	-	-	-	381,565,121	155,188,429	226,376,692
16055	UNC-Asheville	61,445,467	22,694,842	38,750,625	-	-	-	61,445,467	22,694,842	38,750,625
16060	UNC-Wilmington	215,405,263	95,077,317	120,327,946	-	-	-	215,405,263	95,077,317	120,327,946
16065	East Carolina University - Academic	396,021,538	181,422,729	214,598,809	-	-	-	396,021,538	181,422,729	214,598,809
16066	East Carolina University - Health Affairs	81,286,581	11,075,640	70,210,941	4,162,857	-	4,162,857	85,449,438	11,075,640	74,373,798
16070	NC Agricultural and Technical State University	158,841,628	68,638,146	90,203,482	1,000,000	-	1,000,000	159,841,628	68,638,146	91,203,482
16075	Western Carolina University	138,632,012	48,902,551	89,729,461	-	-	-	138,632,012	48,902,551	89,729,461
16080	Appalachian State University	236,363,067	101,690,074	134,672,993	-	-	-	236,363,067	101,690,074	134,672,993
16082	UNC-Pembroke	81,267,711	27,556,162	53,711,549	-	-	-	81,267,711	27,556,162	53,711,549
16084	Winston-Salem State University	88,656,494	23,938,982	64,717,512	-	-	-	88,656,494	23,938,982	64,717,512
16086	Elizabeth City State University	35,920,913	6,766,201	29,154,712	2,810,000	-	2,810,000	38,730,913	6,766,201	31,964,712
16088	Fayetteville State University	74,122,655	22,006,493	52,116,162	-	-	-	74,122,655	22,006,493	52,116,162
16090	NC Central University	132,892,432	49,648,873	83,243,559	-	-	-	132,892,432	49,648,873	83,243,559
16092	NC School of the Arts	46,056,137	15,631,638	30,424,499	-	-	-	46,056,137	15,631,638	30,424,499
16094	NC School of Science and Mathematics	22,116,598	1,158,586	20,958,012	-	-	-	22,116,598	1,158,586	20,958,012
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	43,672,343	-	43,672,343	43,672,343	-	43,672,343
N/A	State Retirement Contribution	-	-	-	4,233,207	-	4,233,207	4,233,207	-	4,233,207
N/A	State Health Plan Reserve	-	-	-	6,872,981	-	6,872,981	6,872,981	-	6,872,981
Total		$4,654,716,690	$1,853,120,342	$2,801,596,348	$85,353,083	$450,000	$84,903,083	$4,740,069,773	$1,853,570,342	$2,886,499,431

UNC System		Base Budget			Legislative Changes			Revised Budget		
Bdgt Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
16010	UNC-Board of Governors	42,219,268	46,899	42,172,369	-	-	-	42,219,268	46,899	42,172,369
16011	UNC-Board of Governors - Institutional	80,443,966	-	80,443,966	(7,802,075)	-	(7,802,075)	72,641,891	-	72,641,891
16012	UNC-BOG-Related Educational Programs	156,500,476	48,031,975	108,468,501	8,300,000	6,000,000	2,300,000	164,800,476	54,031,975	110,768,501
16015	Aid to Private Colleges	164,719,754	-	164,719,754	1,000,000	-	1,000,000	165,719,754	-	165,719,754
16020	UNC-Chapel Hill	604,235,515	351,926,396	252,309,119	(4,000,000)	-	(4,000,000)	600,235,515	351,926,396	248,309,119
16021	UNC-Chapel Hill - Health Affairs	302,961,243	116,296,211	186,665,032	3,000,000	-	3,000,000	305,961,243	116,296,211	189,665,032
16022	UNC-Chapel Hill - Area Health Education Center	48,783,693	-	48,783,693	13,400,000	-	13,400,000	62,183,693	-	62,183,693
16030	North Carolina State University - Academic	785,685,015	378,036,965	407,648,050	-	-	-	785,685,015	378,036,965	407,648,050
16031	NC State University - Agricultural Research	67,294,843	14,657,938	52,636,905	-	-	-	67,294,843	14,657,938	52,636,905
16032	NC State University - Cooperative Extension Service	54,481,275	16,086,044	38,395,231	3,500,000	-	3,500,000	57,981,275	16,086,044	41,895,231
16040	UNC-Greensboro	246,798,025	96,641,251	150,156,774	-	-	-	246,798,025	96,641,251	150,156,774
16050	UNC-Charlotte	381,565,121	155,188,429	226,376,692	-	-	-	381,565,121	155,188,429	226,376,692
16055	UNC-Asheville	61,445,467	22,694,842	38,750,625	-	-	-	61,445,467	22,694,842	38,750,625
16060	UNC-Wilmington	215,405,263	95,077,317	120,327,946	-	-	-	215,405,263	95,077,317	120,327,946
16065	East Carolina University - Academic	396,021,538	181,422,729	214,598,809	-	-	-	396,021,538	181,422,729	214,598,809
16066	East Carolina University - Health Affairs	81,286,581	11,075,640	70,210,941	4,803,804	-	4,803,804	86,090,385	11,075,640	75,014,745
16070	NC Agricultural and Technical State University	158,841,628	68,638,146	90,203,482	1,000,000	-	1,000,000	159,841,628	68,638,146	91,203,482
16075	Western Carolina University	138,633,192	48,902,551	89,730,641	-	-	-	138,633,192	48,902,551	89,730,641
16080	Appalachian State University	236,363,067	101,690,074	134,672,993	-	-	-	236,363,067	101,690,074	134,672,993
16082	UNC-Pembroke	81,271,590	27,556,162	53,715,428	-	-	-	81,271,590	27,556,162	53,715,428
16084	Winston-Salem State University	88,656,494	23,938,982	64,717,512	-	-	-	88,656,494	23,938,982	64,717,512
16086	Elizabeth City State University	35,920,913	6,766,201	29,154,712	2,000,000	-	2,000,000	37,920,913	6,766,201	31,154,712
16088	Fayetteville State University	74,122,655	22,006,493	52,116,162	-	-	-	74,122,655	22,006,493	52,116,162
16090	NC Central University	132,892,432	49,648,873	83,243,559	-	-	-	132,892,432	49,648,873	83,243,559
16092	NC School of the Arts	46,056,137	15,631,638	30,424,499	-	-	-	46,056,137	15,631,638	30,424,499
16094	NC School of Science and Mathematics	22,117,798	1,158,586	20,959,212	-	-	-	22,117,798	1,158,586	20,959,212
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	43,950,722	-	43,950,722	43,950,722	-	43,950,722
N/A	State Retirement Contribution	-	-	-	21,819,919	-	21,819,919	21,819,919	-	21,819,919
N/A	State Health Plan Reserve	-	-	-	14,564,174	-	14,564,174	14,564,174	-	14,564,174
Total		$4,704,722,949	$1,853,120,342	$2,851,602,607	$105,536,544	$6,000,000	$99,536,544	$4,810,259,493	$1,859,120,342	$2,951,139,151

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

UNC System					
		Base	Legislative Changes		Revised
Bdgt Code	Budget Code Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
16010	UNC-Board of Governors	278.00	-	-	278.00
16011	UNC-Board of Governors - Institutional	-	-	-	-
16012	UNC-BOG-Related Educational Programs	-	-	-	-
16015	Aid to Private Colleges	-	-	-	-
16020	UNC-Chapel Hill	4,221.56	-	-	4,221.56
16021	UNC-Chapel Hill - Health Affairs	1,948.73	-	-	1,948.73
16022	UNC-Chapel Hill - Area Health Education Center	77.90	-	-	77.90
16030	North Carolina State University - Academic	5,980.37	-	-	5,980.37
16031	NC State University - Agricultural Research	733.05	-	-	733.05
16032	NC State University - Cooperative Extension Service	673.99	-	-	673.99
16040	UNC-Greensboro	2,132.16	-	-	2,132.16
16050	UNC-Charlotte	3,185.89	-	-	3,185.89
16055	UNC-Asheville	604.14	-	-	604.14
16060	UNC-Wilmington	1,940.64	-	-	1,940.64
16065	East Carolina University - Academic	3,230.95	-	-	3,230.95
16066	East Carolina University - Health Affairs	555.79	-	-	555.79
16070	NC Agricultural and Technical State University	1,584.14	-	-	1,584.14
16075	Western Carolina University	1,265.81	-	-	1,265.81
16080	Appalachian State University	2,184.52	-	-	2,184.52
16082	UNC-Pembroke	736.29	-	-	736.29
16084	Winston-Salem State University	882.93	-	-	882.93
16086	Elizabeth City State University	330.16	-	-	330.16
16088	Fayetteville State University	743.26	-	-	743.26
16090	NC Central University	1,183.16	-	-	1,183.16
16092	NC School of the Arts	443.29	-	-	443.29
16094	NC School of Science and Mathematics	224.35	-	-	224.35
Total FTE		**35,141.07**	**-**	**-**	**35,141.07**

57 State Health Plan — $6,872,981 R — $14,564,174 R

Budget Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.

Base Budget Adjustment

58 Adjustment to Recommended Base Budget for Opportunity Scholarships

Budget Code: 16015

Increases the recommended base budget figures for the UNC System by $20 million in FY 2017-18 and $30 million in FY 2018-19 to account for statutory increases to the Opportunity Scholarship Grant Fund Reserve in accordance with G.S. 115C-562.8(b). The Reserve is used to fund scholarships for the subsequent fiscal year. The revised base budget amount for the Opportunity Scholarship Grant Fund Reserve is $44.8 million in FY 2017-18 and $54.8 million in FY 2018-19. The revised recommended base budget for the UNC System is $2.8 billion in FY 2017-18 and $2.9 billion in FY 2018-19 as shown in the figures above.

C. Other Adjustments

59 Management Flexibility Reduction — ($1,856,805) R — ($3,356,805) R / ($16,678,770) NR

Budget Code: 16011

Mandates a management flexibility reduction for the UNC operating budget. The UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions. A related provision details the manner in which the management flexibility reduction is to be allocated. The revised net appropriation for the UNC system is $2.8 billion in FY 2017-18 and $2.9 billion in FY 2018-19.

	FY 17-18		FY 18-19	
60 Data Analytics	$750,000	R	$1,500,000	R
Budget Code: 16011	$8,200,000	NR	$15,825,000	NR

Provides funds for a variety of data collection, modernization and integration projects. This will include, but is not limited to: post-graduate outcomes, uniform and integrated data collection across all campuses, and Enterprise Resource Planning (ERP) modernization that will enable better financial management of UNC through cost per unit analysis, predictive modeling, and more timely access to actionable information. The revised net appropriation for data analytics is $9 million in FY 2017-18 and $17.3 million in FY 2018-19.

61 Centers and Institutes	($8,000,000)	R	($8,000,000)	R
Budget Code: 16011				

Reduces funding for centers and institutes system-wide by $8 million. The revised net appropriation, based on the Board of Governors' report on centers and institutes in 2014, is approximately $71 million. To the extent that centers or institutes have been added or eliminated since that time, the revised net appropriation may change.

62 UNC Teacher and Principal Preparation Program Lab Schools	$930,000	R	$930,000	R
Budget Code: 16011	$1,000,000	NR		

Provides funding for administrative and technical assistance related to the UNC Teacher and Principal Preparation Laboratory School Program. These funds are for both start-up assistance as well as recurring administrative support. The revised net appropriation for UNC Laboratory Schools is $1.9 million in FY 2017-18 and $930,000 in FY 2018-19.

63 New Teacher Support Program	$1,000,000	R	$1,000,000	R
Budget Code: 16011				

Provides additional funding to the North Carolina New Teacher Support Program, a program to support new teachers across the State through training and one-on-one coaching. The revised net appropriation for this program is $2.2 million in each year of the biennium.

	FY 17-18		FY 18-19	
64 Future Teachers of North Carolina **Budget Code:** 16011 Provides funding to establish the Future Teachers of North Carolina (FTNC) program for the purpose of developing curricula and providing professional development for high school teachers who will teach courses that encourage high-achieving high school students to consider teaching as a profession. The revised net appropriation for the FTNC program is $278,500 in each year of the biennium.	$278,500	R	$278,500	R
65 Food Processing Innovation Center **Budget Code:** 16011 Provides funds for the Food Processing Innovation Center, to be housed at the NC Research Campus. Nonrecurring funds are provided to equip the Center. Recurring funding will be used for lease payments for the space to be renovated by the NC Research Campus and the City of Kannapolis, and for personnel costs to be augmented by additional staffing supported by the NCSU College of Agriculture and Life Sciences and the NC Department of Agriculture.	$700,000 $4,400,000	R NR	$700,000	R
66 UNC-Chapel Hill Law School **Budget Code:** 16020 Reduces funding to UNC-Chapel Hill's School of Law by $4,000,000, a 30% reduction. The revised net appropriation for the UNC-Chapel Hill law school is $9.2 million in each year of the biennium.	($4,000,000)	R	($4,000,000)	
67 UNC School of Medicine **Budget Code:** 16021 Provides funding to increase the number of available medical student slots at the UNC School of Medicine. This additional support will fund approximately 15 new slots. The revised net appropriation for UNC Chapel Hill Health Affairs is $189.7 million in each year of the biennium.	$3,000,000	R	$3,000,000	R
68 Western School of Medicine - Asheville **Budget Code:** 16022 Provides additional funds for the UNC School of Medicine's Asheville Campus, a joint program between the UNC School of Medicine, other UNC system universities, and the Mountain Area Health Education Center. Funding will support administration, faculty, and related programs for this multi-disciplinary effort. In FY 2016-17, $3.0 million in recurring funding was provided for this purpose. The revised net appropriation is $11.0 million for FY 2017-18 and $16.4 million for FY 2018-19.	$8,000,000	R	$13,400,000	R

	FY 17-18		FY 18-19	
69 NCSU Innovation in Manufacturing Biopharmaceuticals **Budget Code:** 16030 Provides funds for North Carolina State University's (NCSU) participation in a collaborative effort to accelerate the development of innovative manufacturing processes for biopharmaceutical products. Funds will support the Biomanufacturing Training and Education Center at NCSU and serve as matching funds for a federal grant from the National Institute of Standards and Technology. The revised net appropriation for this initiative is $2 million in FY 2017-18 only.	$2,000,000	NR		
70 NCSU Cooperative Extension **Budget Code:** 16032 Provides additional funds for the NCSU Cooperative Extension for faculty and employee retention and recruitment. The revised net appropriation for the Cooperative Extension is $43 million in both years of the biennium.	$3,500,000	R	$3,500,000	R
71 Graduate Medical Education Expansion **Budget Code:** 16066 Provides funds for the planning and initial implementation of new residency programs at Vidant Duplin Hospital, Halifax Regional Medical Center, Carolina East, and Vidant Ahoskie Hospital. The new residency positions are intended to help expand medical services and increase the number of health-care providers in rural and under-served areas. The revised net appropriation for East Carolina University Health Affairs for all items is $74.4 million in FY 2017-18 and $75 million in FY 2018-19.	$162,857	R	$803,804	R
72 East Carolina University: Medical School Sustainability Funds **Budget Code:** 16066 Provides funds to stabilize the Brody School of Medicine at East Carolina University. The revised net appropriation for East Carolina University Health Affairs for all items is $74.4 million in FY 2017-18 and $75 million in FY 2018-19.	$4,000,000	R	$4,000,000	R
73 NC A&T Doctoral Programs **Budget Code:** 16070 Provides funds to support already-established doctoral programs at NC A&T University. These funds will support new faculty and graduate student services for the doctoral programs, including computer science, various engineering fields, energy and environmental systems, education, and rehabilitation counseling.	$1,000,000	R	$1,000,000	R

	FY 17-18		FY 18-19	
74 Elizabeth City State University Stabilization Funds **Budget Code:** 16086 Provides funds to Elizabeth City State University to stabilize enrollment. Funds will be used to hire temporary faculty to anchor core programs, provide start-up funds for an aviation science program, and support student success initiatives. The revised net appropriation for Elizabeth City State University is $32 million in FY 2017-18 and $31.1 million in FY 2018-19.	$2,810,000	NR	$2,000,000	NR

D. Financial Aid

75 Teaching Fellows **Budget Code:** 16012 Provides funds to establish a competitive forgivable loan program for students interested in entering teaching in science, technology, engineering and mathematics (STEM) or special education licensure areas. Students may receive up to $8,250 per year for tuition, fees, and the cost of books. These loans may be forgiven upon completion of a term of service at a North Carolina elementary or high school. Funds are also provided to the North Carolina State Educational Assistance Authority to administer the program. This program is supported by a transfer from the NC Education Endowment Fund of $450,000 in FY 2017-18 and $6 million in FY 2018-19. The total requirements for Teaching Fellows is $6 million annually.				
76 Personal Education Savings Accounts **Budget Code:** 16015 Provides funds to establish the North Carolina Personal Education Savings Account Program. The program will create scholarship grants for eligible children with disabilities which may be used for qualifying educational expenses including nonpublic school tuition. Funds provided during the first year of the biennium will be used to establish the program, and funds provided in the second year of the biennium will be used for awards, with up to $250,000 available for administration. The revised net appropriation for personal education savings accounts is $450,000 in FY 2017-18 and $1 million in FY 2018-19.	$450,000	R	$1,000,000	R
77 NC State Education Assistance Authority (SEAA) Software **Budget Code:** 16011 Provides funds for SEAA to purchase software to support administration of the Opportunity Scholarship and Special Education Scholarship grants programs. Funds will also support staff training, customization, and data conversion related to the new software. The revised net appropriation for SEAA software is $1.8 million in FY 2017-18 and $800,000 in FY 2018-19.	$1,800,000	NR	$800,000	NR

	FY 17-18		FY 18-19	
78 Cheatham-White Scholarships **Budget Code:** 16012 Provides funds for the Cheatham-White Scholarship program, which was established in the 2016 budget. These scholarships, at North Carolina Central University (NCCU) and North Carolina Agricultural and Technical State University (NCA&T), will fund up to 20 scholarships at each university beginning in the Fall 2018 semester. NCCU and NCA&T will be required to match the General Fund appropriation. The revised net appropriation for the Cheatham-White Scholarships is $1.5 million.			$1,500,000	R
Total Legislative Changes	**$64,693,083**	**R**	**$97,590,314**	**R**
	$20,210,000	**NR**	**$1,946,230**	**NR**
Total Position Changes				
Revised Budget	**$2,886,499,431**		**$2,951,139,151**	

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Health and Human Services Section G

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Central Management
Budget Code 14410

General Fund Budget

	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$179,580,970	$179,580,970
Receipts	$82,249,138	$82,249,138
Net Appropriation	$97,331,832	$97,331,832
Legislative Changes		
Requirements	$170,526,229	$148,738,787
Receipts	$143,603,482	$107,630,697
Net Appropriation	$26,922,747	$41,108,090
Revised Budget		
Requirements	$350,107,199	$328,319,757
Receipts	$225,852,620	$189,879,835
Net Appropriation	$124,254,579	$138,439,922

General Fund FTE

Base Budget	838.75	838.75
Legislative Changes	45.00	67.00
Revised Budget	883.75	905.75

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Central Management											
Budget Code 14410		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1119	Service Support-Administration	6,599,806	1,935,309	4,664,497	-	-	-	6,599,806	1,935,309	4,664,497	
1120	Service Support-Central Management	18,048,520	3,809,658	14,238,862	-	-	-	18,048,520	3,809,658	14,238,862	
1121	Service Support-Controllers Office	18,492,367	8,658,261	9,834,106	-	-	-	18,492,367	8,658,261	9,834,106	
1122	DIRM-Information Services	70,720,533	46,822,184	23,898,349	14,774,097	10,949,225	3,824,872	85,494,630	57,771,409	27,723,221	
1123	DIRM-Planning and Development	68,715	10,664	58,051	-	-	-	68,715	10,664	58,051	
1124	NC Council on Developmental Disabilities	3,128,076	3,049,889	78,187	-	-	-	3,128,076	3,049,889	78,187	
1126	Central Regional Maintenance - Dix	10,668,063	2,737,511	7,930,552	-	-	-	10,668,063	2,737,511	7,930,552	
1127	Office of Program Evaluation, Reporting &Accountabili	539,301	85,007	454,294	-	-		539,301	85,007	454,294	
1129	Rural Health Services Administration	918,482	192,209	726,273	-			918,482	192,209	726,273	
1161	Rural Hospital - Assistance			-	-	-	-	-	-	-	
1162	Rural Health Capacity Building	4,397,953	2,795,734	1,602,219	-	-	-	4,397,953	2,795,734	1,602,219	
1168	Telemedicine	2,013,137	13,078	2,000,059	-	-	-	2,013,137	13,078	2,000,059	
1169	Rural Health Infrastructure	13,376,790	2,035,211	11,341,579	7,500,000		7,500,000	20,876,790	2,035,211	18,841,579	
1320	Prescription Assistance	200,000	-	200,000	-	-	-	200,000	-	200,000	
1374	Low Income Drug and Medical Assistance	6,092,669	4,142,971	1,949,698	200,000		200,000	6,292,669	4,142,971	2,149,698	
1910	Reserves and Transfers	22,207,606	3,852,500	18,355,106	152,448,257	138,033,254	14,415,003	174,655,863	141,885,754	32,770,109	
1991	Indirect Cost - Reserve	394,330	394,330	-	-	-	-	394,330	394,330	-	
1992	Prior Year - Earned Revenue	1,714,622	1,714,622	-	-	-	-	1,714,622	1,714,622	-	
Division-wide Items											
N/A	TANF			-	(1,865,799)	(1,865,799)	-	(1,865,799)	(1,865,799)	-	
N/A	SSBG				236,278	236,278	-	236,278	236,278	-	
N/A	LIHEAP				(3,381,159)	(3,381,159)	-	(3,381,159)	(3,381,159)	-	
N/A	CCDF				(368,317)	(368,317)	-	(368,317)	(368,317)	-	
Undesignated Items				-							
N/A	Compensation Increase Reserve			-	733,360	N/A	733,360	733,360	N/A	733,360	
N/A	State Retirement Contributions			-	131,068	N/A	131,068	131,068	N/A	131,068	
N/A	State Health Plan Reserve	-	-	-	118,444	N/A	118,444	118,444	N/A	118,444	
Total		$179,580,970	$82,249,138	$97,331,832	$170,526,229	$143,603,482	$26,922,747	$350,107,199	$225,852,620	$124,254,579	

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Central Management											
Budget Code 14410		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1119	Service Support-Administration	6,599,806	1,935,309	4,664,497	-	-	-	6,599,806	1,935,309	4,664,497	
1120	Service Support-Central Management	18,048,520	3,809,658	14,238,862	-	-	-	18,048,520	3,809,658	14,238,862	
1121	Service Support-Controllers Office	18,492,367	8,658,261	9,834,106	-	-	-	18,492,367	8,658,261	9,834,106	
1122	DIRM-Information Services	70,720,533	46,822,184	23,898,349	25,160,604	15,511,057	9,649,547	95,881,137	62,333,241	33,547,896	
1123	DIRM-Planning and Development	68,715	10,664	58,051	-	-	-	68,715	10,664	58,051	
1124	NC Council on Developmental Disabilities	3,128,076	3,049,889	78,187	-	-	-	3,128,076	3,049,889	78,187	
1126	Central Regional Maintenance - Dix	10,668,063	2,737,511	7,930,552	-	-	-	10,668,063	2,737,511	7,930,552	
1127	Office of Program Evaluation, Reporting &Accountabi	539,301	85,007	454,294	-	-		539,301	85,007	454,294	
1129	Rural Health Services Administration	918,482	192,209	726,273	-	-		918,482	192,209	726,273	
1161	Rural Hospital - Assistance			-	-	-	-	-	-	-	
1162	Rural Health Capacity Building	4,397,953	2,795,734	1,602,219	-	-	-	4,397,953	2,795,734	1,602,219	
1168	Telemedicine	2,013,137	13,078	2,000,059	-	-	-	2,013,137	13,078	2,000,059	
1169	Rural Health Infrastructure	13,376,790	2,035,211	11,341,579	7,500,000	-	7,500,000	20,876,790	2,035,211	18,841,579	
1320	Prescription Assistance	200,000	-	200,000	-	-	-	200,000	-	200,000	
1374	Low Income Drug and Medical Assistance	6,092,669	4,142,971	1,949,698	200,000	-	200,000	6,292,669	4,142,971	2,149,698	
1910	Reserves and Transfers	22,207,606	3,852,500	18,355,106	119,374,028	97,207,844	22,166,184	141,581,634	101,060,344	40,521,290	
1991	Indirect Cost - Reserve	394,330	394,330	-	-	-	-	394,330	394,330	-	
1992	Prior Year - Earned Revenue	1,714,622	1,714,622	-	-	-	-	1,714,622	1,714,622	-	
Division-wide Items											
N/A	TANF			-	(1,865,799)	(1,865,799)	-	(1,865,799)	(1,865,799)	-	
N/A	SSBG				236,278	236,278	-	236,278	236,278	-	
N/A	LIHEAP				(3,381,159)	(3,381,159)	-	(3,381,159)	(3,381,159)	-	
N/A	CCDF				(77,524)	(77,524)	-	(77,524)	(77,524)	-	
Undesignated Items				-							
N/A	Compensation Increase Reserve			-	733,360	N/A	733,360	733,360	N/A	733,360	
N/A	State Retirement Contributions			-	608,011	N/A	608,011	608,011	N/A	608,011	
N/A	State Health Plan Reserve	-	-	-	250,988	N/A	250,988	250,988	N/A	250,988	
Total		$179,580,970	$82,249,138	$97,331,832	$148,738,787	$107,630,697	$41,108,090	$328,319,757	$189,879,835	$138,439,922	

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Central Management					
Budget Code 14410		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1119	Service Support-Administration	61.00	-	-	61.00
1120	Service Support-Central Management	109.75	-	-	109.75
1121	Service Support-Controllers Office	217.00	-	-	217.00
1122	DIRM-Information Services	296.00	38.00	-	334.00
1124	NC Council on Developmental Disabilities	10.00	-	-	10.00
1126	Central Regional Maintenance - Dix	99.00	-	-	99.00
1127	Office of Program Evaluation, Reporting &Accoun	3.00		-	3.00
1129	Rural Health Services Administration	9.00		-	9.00
1162	Rural Health Capacity Building	4.00	-	-	4.00
1169	Rural Health Infrastructure	19.00		-	19.00
1373	Services for the Uninsured	3.00	-	-	3.00
1374	Low Income Drug and Medical Assistance	8.00	-	-	8.00
1910	Reserves and Transfers	-	6.00	1.00	7.00
Total FTE		**838.75**	**44.00**	**1.00**	**883.75**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Central Management					
Budget Code 14410		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1119	Service Support-Administration	61.00	-	-	61.00
1120	Service Support-Central Management	109.75	-	-	109.75
1121	Service Support-Controllers Office	217.00	-	-	217.00
1122	DIRM-Information Services	296.00	60.00	-	356.00
1124	NC Council on Developmental Disabilities	10.00	-	-	10.00
1126	Central Regional Maintenance - Dix	99.00	-	-	99.00
1127	Office of Program Evaluation, Reporting &Accoun	3.00	-	-	3.00
1129	Rural Health Services Administration	9.00	-	-	9.00
1162	Rural Health Capacity Building	4.00	-	-	4.00
1169	Rural Health Infrastructure	19.00	-		19.00
1373	Services for the Uninsured	3.00	-	-	3.00
1374	Low Income Drug and Medical Assistance	8.00	-	-	8.00
1910	Reserves and Transfers	-	6.00	1.00	7.00
Total FTE		**838.75**	**66.00**	**1.00**	**905.75**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$97,331,832**		**$97,331,832**	
Legislative Changes				
(1.0) Division of Central Management and Support				
1 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$733,360	R	$733,360	R
2 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$131,068	R	$608,011	R
3 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$118,444	R	$250,988	R
4 Purchased Services **Fund Code:** 1910 Reduces funding Department-wide for purchased administrative services. Reductions shall not be taken from contracts/agreements that provide direct services or the U.S. Department of Justice settlement agreement. The revised net appropriation for Fund 1910 from all actions in this report is $37.5 million in FY 2017-18 and $48.2 million in FY 2018-19.	($3,200,000)	R	($3,200,000)	R

	FY 17-18		FY 18-19	
5 U.S. DOJ Settlement/Transition to Community Living **Fund Code:** 1910 Provides funds pursuant to the U.S. Department of Justice settlement agreement to continue to develop and implement housing, support, and other services for people with mental illness. Two positions are provided to support efforts to enroll more individuals into the home and community-based services required under the settlement agreement. The revised net appropriation for Fund 1910 from all actions in this report is $37.5 million in FY 2017-18 and $48.2 million in FY 2018-19.	$8,889,875 2.00	R	$17,036,022 2.00	R
6 NC Medication Assistance Program **Fund Code:** 1374 Provides funds for additional prescription assistance services for indigent and uninsured persons. The revised net appropriation for Fund 1374 is $2.1 million in each year of the biennium.	$200,000	NR	$200,000	NR
7 Community Health Grants **Fund Code:** 1169 Increases funding for grants to community health centers, rural health centers, federally qualified health centers, free clinics, and other health services providers in rural and medically underserved communities. The revised net appropriation for community health grants is $15.0 million in each year of the biennium.	$7,500,000	R	$7,500,000	R
8 DHHS Competitive Block Grant - Big Brothers Big Sisters **Fund Code:** 1910 Provides $350,000 from the federal Social Services Block Grant (SSBG) to the DHHS Competitive Block Grant. The additional funding is designated for Big Brothers Big Sisters in each year of the biennium. The revised total SSBG allocation for DHHS Competitive Block Grants from all actions in this report is $4,508,754 in FY 2017-18 and $4,476,620 in FY 2018-19.				
9 DHHS Competitive Block Grant - TROSA **Fund Code:** 1910 Provides $1.6 million from the federal Substance Abuse Prevention and Treatment Block Grant to the DHHS Competitive Block Grant. The funds are designated for TROSA, a long-term residential substance abuse treatment program. The total competitive block grant funding for TROSA is $3.2 million in each year of the biennium.				

	FY 17-18		FY 18-19	
10 DHHS Competitive Block Grant **Fund Code:** 1910 Adjusts the budget to reflect additional federal SSBG receipts, $306,254 in FY 2017-18 and $274,120 in FY 2018-19, for DHHS competitive block grants. The revised total SSBG allocation for DHHS Competitive Block Grants from all actions in this report is $4,508,754 in FY 2017-18 and $4,476,620 in FY 2018-19.				
11 Graduate Medical Education - Cape Fear Valley Medical Center **Fund Code:** 1910 Eliminates funding provided to establish a residency program at Cape Fear Valley Medical Center. The funds were originally appropriated in anticipation of lost Medicare revenue that would result from the Medical Center's planned reclassification as a rural hospital by the federal Centers for Medicare and Medicaid Services (CMS). However, recent changes in CMS policy will allow Cape Fear Valley Medical Center to regain its urban hospital classification effective October 1, 2017. One-time funding, $3 million nonrecurring, is provided to offset anticipated revenue losses for the period July 1, 2017 to September 30, 2017.	($7,700,000) $3,000,000	R NR	($7,700,000)	R
12 NC FAST - Child Welfare and Other Development **Fund Code:** 1910 Provides funding for continued system development including implementing the Child Services project, a child welfare case management system, and a Medicaid Self-Service and Enterprise Program Integrity project to address federal requirements and implement new program integrity functionality. Funding will also support the Identity Proofing project to provide electronic identity proofing when applying for certain benefits from NC FAST. Total funding, for NC FAST development projects, inclusive of fund balances, receipts and net General Fund appropriations is $137.4 million for FY 2017-18 and $98.6 million for FY 2018-19. The revised net appropriation for NC FAST Child Welfare and other development projects is $8.9 million in FY 2017-18 and $11.1 million in FY 2018-19.	$8,900,000 4.00	NR	$11,109,000 4.00	

	FY 17-18		FY 18-19	
13 NC FAST - Operations and Maintenance	$1,900,000	R	$7,700,000	R
Fund Code: 1122	32.00		54.00	

Provides funding for the ongoing operation and maintenance of NC FAST including funding for several projects that are moving from the development phase to full implementation including Child Care Subsidy and energy programs, Child Services, and Medicaid Self Services and Enterprise Program Integrity. Funding is also provided for additional help desk and technical support. The revised net appropriation from all actions in this report for Fund 1122, DIRM - Information System Services, is $27.7 million in FY 2017-18 and $33.5 million in FY 2018-19.

14 Social Security Number Removal				
Fund Code: 1910	$250,000	NR		

Provides funding to modify department information technology systems to improve security and protect against identify theft. The revised net appropriation for the Social Security number removal project is $250,000 in FY 2017-18 only.

15 DHHS IT Application Expansion	$422,206	R	$422,206	R
Fund Code: 1122	$302,666	NR	$327,341	NR
	6.00		6.00	

Provides funding for 6 positions and contract resources to support several FoxPro applications, the Child Support Services program, the HIV Care Continuum Data-to Care database, multiple databases and Medicaid Information Technology Architecture State Self Assessment as required by federal regulations. The revised net appropriation from all actions in this report for Fund1122, DIRM - Information System Services, is $27.7 million in FY 2017-18 and $33.5 million in FY 2018-19.

The newly established positions are as follows:

3 Business & Technology App Specialist	$100,000
1 Business & Technology App Specialist	$94,000
1 Business & Technology App Analyst	$85,000
1 Business System Analyst	$85,000

	FY 17-18		FY 18-19	
16 Receipt-Supported IT Projects **Fund Code:** 1910, 1122 Budgets $3.6 million in federal receipts in FY 2017-18 and $4.8 million in federal receipts in FY 2018-19 to replace the legacy case management system for employment, and independent living-related services shared by the Divisions of Vocational Rehabilitation Services and the Services for the Blind. Also budgets $100,922 in FY 2017-18 and $159,713 in FY 2018-19 from county funding for the North Carolina County Reimbursement Ledger Suite (NC CoReLS) which will assist county departments of social services and Child Support offices to record and electronically submit their forms for federal and state reimbursement. These funds will also support 1 FTE for the NC CoReLS project. The revised net appropriation for the receipt supported IT projects is $0 in both years of the biennium.				
17 Controlled Substances Reporting System (CSRS) **Fund Code:** 1122 Provides funding for contractual hours to develop and implement software via existing Government Data Analytics Center public-private partnerships for the performance of advance analytics within the CSRS. The contract services will enhance and automate reports, and enhance the provision of data to entities or persons authorized to receive information. The contract services will also aggregate relevant data sources, and enhance the Department's ability to generate and deploy advanced analytics in order to improve prescribing practices, and to identify unusual prescribing patterns. The revised net appropriation from all actions in this report for Fund1122, DIRM - Information System Services, is $27.7 million in FY 2017-18 and $33.5 million in FY 2018-19.	$1,200,000	R	$1,200,000	R
18 Health Service Regulation Enterprise Solution **Fund Code:** 1910 Provides funding for an enterprise solution to replace 7 applications that are no longer supported and to automate the Division of Health Service Regulations licensure and license renewal process. Online license renewal applications will eliminate the majority of manual processes by both the Division of Health Service Regulation the healthcare providers. Additionally timelier licensure information can be provided to NC Tracks. The revised net appropriation for the Health Service Regulation Enterprise solution project is $275,128 in FY 2017-18 and $3.9 million in FY 2018-19.	$275,128	NR	$627,134 $3,294,028	R NR

	FY 17-18		FY 18-19	
19 Health Information Exchange	$1,000,000	R	$1,000,000	R
Fund Code: 1910	$3,000,000	NR		

Provides funding for the Health Information Exchange(HIE) to upgrade the data exchange technical environment in order to modernize features and functions of the HIE Network and provide ongoing maintenance and operations of the new technical environment. The revised net appropriation for HIE in the DHHS budget is $4 million in FY 2017-18 and $1 million in FY 2018-19.

20 Temporary Assistance for Needy Families (TANF) Block Grant
Fund Code: N/A

Reduces TANF block grant federal receipts in the amount of $1,865,799 in each year of the biennium. The revised TANF block grant federal receipts for the Division are $3 million in FY 2017-18 and $3.7 million in FY 2018-19.

21 Social Services Block Grant (SSBG)
Fund Code: N/A

Budgets SSBG federal receipts in the amount of $236,278 in each year of the biennium. The revised SSBG federal receipts for the Division are $4.9 million in FY 2017-18 and $4.8 million in FY 2018-19.

22 Low Income Energy Assistance Program (LIEAP)
Fund Code: N/A

Reduces LIEAP federal receipts in the amount of $3,381,159 in each year of the biennium. The revised LIEAP federal receipts for the Division are $2.5 million in FY 2017-18 and $5.2 million in FY 2018-19.

23 Child Care Development Fund (CCDF) Block Grant
Fund Code: N/A

Reduces CCDF block grant federal receipts in the amount of $368,317 in FY 2017-18 and $77,524 in FY 2018-19. The revised CCDF block grant federal receipts for the Division are $3.7 million in FY 2017-18 and $3.8 million in FY 2018-19.

Total Legislative Changes	**$10,994,953**	R	**$26,177,721**	R
	$15,927,794	NR	**$14,930,369**	NR
Total Position Changes	44.00		66.00	
Revised Budget	**$124,254,579**		**$138,439,922**	

DHHS-CENTRAL MANAGEMENT-IT PROJECTS

Budget Code: 24410

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$29,197,034**	**$19,802,045**
Recommended Budget		
Requirements	**$9,782,686**	**$9,782,686**
Receipts	**$387,697**	**$387,697**
Positions	**111.00**	**111.00**

Legislative Changes

Requirements:

MMIS/Analytics Reprocurement Provides funding to enhance the NC Tracks system and procures a take-over vendor for the Medicaid Management System (MMIS) and the Reporting and Analytics contract. This is a requirement in order to obtain continued Center for Medicare and Medicaid Services (CMS) certification and receive federal match funding.	$0 $1,427,000 0.00	R NR	$0 $2,439,670 0.00	R NR
Subtotal Legislative Changes	**$0** **$1,427,000** 0.00	R NR	**$0** **$2,439,670** 0.00	R NR

Receipts:

MMIS/Analytics Reprocurement Budgets federal receipts and prior year earned revenue to enhance the NC Tracks system and to procure a take-over vendor for the Medicaid Management System (MMIS) and the Reporting and Analytics contract. This is a requirement in order to obtain continued Center for Medicare and Medicaid Services (CMS) certification and receive federal match funding.	$0 $1,427,000	R NR	 $2,439,670	R NR
Subtotal Legislative Changes	**$0** **$1,427,000**	R NR	 **$2,439,670**	R NR

Senate Appropriations Committee on Health and Human Services

	FY 2017-18	FY 2018-19
Revised Total Requirements	$11,209,686	$12,222,356
Revised Total Receipts	$1,814,697	
Change in Fund Balance	($9,394,989)	
Total Positions	111.00	111.00
Unappropriated Balance Remaining	$19,802,045	

Division of Aging
Budget Code 14411

General Fund Budget

	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$105,801,579	$105,530,108
Receipts	$61,716,284	$61,444,813
Net Appropriation	$44,085,295	$44,085,295
Legislative Changes		
Requirements	$1,889,744	$1,922,816
Receipts	$868,826	$868,826
Net Appropriation	$1,020,918	$1,053,990
Revised Budget		
Requirements	$107,691,323	$107,452,924
Receipts	$62,585,110	$62,313,639
Net Appropriation	$45,106,213	$45,139,285

General Fund FTE

Base Budget	76.00	76.00
Legislative Changes	0.00	0.00
Revised Budget	76.00	76.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Division of Aging										
Budget Code 14411		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,750,921	1,691,949	1,058,972	-	-	-	2,750,921	1,691,949	1,058,972
1160	Professional Development and Capacity Building	218,806	218,806	-	-	-	-	218,806	218,806	-
1167	Emergency Shelter	4,832,533	4,832,533	-	-	-	-	4,832,533	4,832,533	-
1260	Access Outreach - Aging Adults	2,408,731	1,067,544	1,341,187	-	-	-	2,408,731	1,067,544	1,341,187
1270	Quality Improvement - Wellness and Health Promotion	886,460	820,050	66,410	-	-	-	886,460	820,050	66,410
1370	Senior Nutrition/ Fan Programs	10,690,738	10,271,285	419,453	72,093	6,787	65,306	10,762,831	10,278,072	484,759
1410	Case Management and Counseling	80,558	59,277	21,281	-	-	-	80,558	59,277	21,281
1451	Community Based Services and Supports	60,484,024	29,086,506	31,397,518	994,411	90,168	904,243	61,478,435	29,176,674	32,301,761
1452	Alzheimer's and Dementia Support Services Support	5,532,111	3,992,684	1,539,427	-	-	-	5,532,111	3,992,684	1,539,427
1453	At-Risk Case Management	85,362	53,827	31,535	-	-	-	85,362	53,827	31,535
1454	Key Program	6,355,271	69,835	6,285,436	-	-	-	6,355,271	69,835	6,285,436
1480	Senior Community Services Employment Services	2,446,561	2,438,961	7,600	-	-	-	2,446,561	2,438,961	7,600
1510	Adult Protective Services and Guardianship	4,574,209	4,053,560	520,649	771,871	771,871	-	5,346,080	4,825,431	520,649
1550	Long Term Care - Ombudsman Services	3,710,949	2,624,920	1,086,029	-	-	-	3,710,949	2,624,920	1,086,029
1570	State/County Special Assistance Administration	699,416	389,618	309,798	-	-	-	699,416	389,618	309,798
1991	Indirect Cost - Reserve	44,929	44,929	-	-	-	-	44,929	44,929	-
Division-wide Items										
N/A	SS Block Grant	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve			-	37,717	NA	37,717	37,717	NA	37,717
N/A	State Retirement Contribution			-	7,062	NA	7,062	7,062	NA	7,062
N/A	State Health Plan	-	-	-	6,590	NA	6,590	6,590	NA	6,590
Total		$105,801,579	$61,716,284	$44,085,295	$1,889,744	$868,826	$1,020,918	$107,691,323	$62,585,110	$45,106,213

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Aging										
Budget Code 14411		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,750,921	1,691,949	1,058,972	-	-	-	2,750,921	1,691,949	1,058,972
1160	Professional Development and Capacity Building	218,806	218,806	-	-	-	-	218,806	218,806	-
1167	Emergency Shelter	4,832,533	4,832,533	-	-	-	-	4,832,533	4,832,533	-
1260	Access Outreach - Aging Adults	2,408,731	1,067,544	1,341,187	-	-	-	2,408,731	1,067,544	1,341,187
1270	Quality Improvement - Wellness and Health Promotion	724,989	658,579	66,410	-	-	-	724,989	658,579	66,410
1370	Senior Nutrition/ Fan Programs	10,690,738	10,271,285	419,453	72,093	6,787	65,306	10,762,831	10,278,072	484,759
1410	Case Management and Counseling	80,558	59,277	21,281	-	-	-	80,558	59,277	21,281
1451	Community Based Services and Supports	60,484,024	29,086,506	31,397,518	994,411	90,168	904,243	61,478,435	29,176,674	32,301,761
1452	Alzheimer's and Dementia Support Services Support	5,532,111	3,992,684	1,539,427	-	-	-	5,532,111	3,992,684	1,539,427
1453	At-Risk Case Management	85,362	53,827	31,535	-	-	-	85,362	53,827	31,535
1454	Key Program	6,355,271	69,835	6,285,436	-	-	-	6,355,271	69,835	6,285,436
1480	Senior Community Services Employment Services	2,446,561	2,438,961	7,600	-	-	-	2,446,561	2,438,961	7,600
1510	Adult Protective Services and Guardianship	4,464,209	3,943,560	520,649	771,871	771,871	-	5,236,080	4,715,431	520,649
1550	Long Term Care - Ombudsman Services	3,710,949	2,624,920	1,086,029	-	-	-	3,710,949	2,624,920	1,086,029
1570	State/County Special Assistance Administration	699,416	389,618	309,798	-	-	-	699,416	389,618	309,798
1991	Indirect Cost - Reserve	44,929	44,929	-	-	-	-	44,929	44,929	-
Division-wide Items										
N/A	SS Block Grant	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve			-	37,717	NA	37,717	37,717	NA	37,717
N/A	State Retirement Contribution			-	32,760	NA	32,760	32,760	NA	32,760
N/A	State Health Plan	-	-	-	13,964	NA	13,964	13,964	NA	13,964
Total		$105,530,108	$61,444,813	$44,085,295	$1,922,816	$868,826	$1,053,990	$107,452,924	$62,313,639	$45,139,285

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Aging					
Budget Code 14411		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	16.00	-	-	16.00
1167	Emergency Shelter	2.00	-	-	2.00
1260	Access Outreach - Aging Adults	3.00	-	-	3.00
1270	Promotion	1.00	-	-	1.00
1410	Case Management and Counseling	1.00	-	-	1.00
1451	Community Based Services and Supports	9.00	-	-	9.00
1452	Alzheimer's and Dementia Support Services Support	4.00	-	-	4.00
1453	At-Risk Case Management	1.00	-	-	1.00
1454	Key Program	11.00	-	-	11.00
1480	Senior Community Services Employment Services	1.00	-	-	1.00
1510	Adult Protective Services and Guardianship	14.00	-	-	14.00
1550	Long Term Care - Ombudsman Services	5.00	-	-	5.00
1570	State/County Special Assistance Administration	8.00	-		8.00
Total FTE		**76.00**	**-**	**-**	**76.00**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Aging					
Budget Code 14411		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	16.00	-	-	16.00
1167	Emergency Shelter	2.00	-	-	2.00
1260	Access Outreach - Aging Adults	3.00	-	-	3.00
1270	Promotion	1.00	-	-	1.00
1410	Case Management and Counseling	1.00	-	-	1.00
1451	Community Based Services and Supports	9.00	-	-	9.00
1452	Alzheimer's and Dementia Support Services Support	4.00	-	-	4.00
1453	At-Risk Case Management	1.00	-	-	1.00
1454	Key Program	11.00	-	-	11.00
1480	Senior Community Services Employment Services	1.00	-	-	1.00
1510	Adult Protective Services and Guardianship	14.00	-	-	14.00
1550	Long Term Care - Ombudsman Services	5.00	-	-	5.00
1570	State/County Special Assistance Administration	8.00	-		8.00
Total FTE		**76.00**	**-**	**-**	**76.00**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$44,085,295**		**$44,085,295**	
Legislative Changes				
(2.0) Division of Aging and Adult Services				
24 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$37,717	R	$37,717	R
25 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$7,062	R	$32,760	R
26 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$6,590	R	$13,964	R
27 Home and Community Care Block Grant **Fund Code:** 1370, 1451 Provides additional funding for the Home and Community Care Block Grant. The revised net appropriation is $30.4 million in each year of the biennium.	$969,549	NR	$969,549	NR

28 Guardianship Contract
Fund Code: 1510

Provides federal Social Services Block Grant funding of $771,871 to serve additional individuals in the state level guardianship contract and provide for an increase to the rate paid to providers of corporate guardianship services. Total requirements for the guardianship contract are $3.9 million. The revised net appropriation for Fund 1510, remains $520,649 in each year of the biennium.

Total Legislative Changes	**$51,369**	**R**	**$84,441**	**R**
	$969,549	**NR**	**$969,549**	**NR**
Total Position Changes				
Revised Budget	**$45,106,213**		**$45,139,285**	

Division of Child Development and Early Education
Budget Code 14420

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$690,322,380	$690,322,380
Receipts	$424,878,570	$424,878,570
Net Appropriation	$265,443,810	$265,443,810
Legislative Changes		
Requirements	$29,270,359	$42,997,275
Receipts	$25,729,740	$35,929,820
Net Appropriation	$3,540,619	$7,067,455
Revised Budget		
Requirements	$719,592,739	$733,319,655
Receipts	$450,608,310	$460,808,390
Net Appropriation	$268,984,429	$272,511,265

General Fund FTE		
Base Budget	316.00	316.00
Legislative Changes	12.00	12.00
Revised Budget	328.00	328.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Division of Child Development and Early Education										
Budget Code 14420		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
14A0	Smart Start - Health Related Activities	5,527,584		5,527,584	-	-	-	5,527,584	-	5,527,584
1110	Service Support	4,374,082	2,438,734	1,935,348	-	-	-	4,374,082	2,438,734	1,935,348
1151	Child Care - Regulation	14,491,135	14,491,135	-	74,686	74,686	-	14,565,821	14,565,821	-
1152	DHHS - Criminal Record Checks	2,197,858	1,580,781	617,077	-	-	-	2,197,858	1,580,781	617,077
1161	Child Care - Capacity Building	23,954,900	23,916,203	38,697	315,764	315,764	-	24,270,664	24,231,967	38,697
1162	Smart Start - Child Care Related Activities	52,371,075		52,371,075	3,500,000	-	3,500,000	55,871,075	-	55,871,075
1271	Smart Start - Family Support Activities	18,434,178		18,434,178	-	-	-	18,434,178	-	18,434,178
1272	Child Care - Rated License	2,870,615	2,870,615	-	-	-	-	2,870,615	2,870,615	-
1330	Pre-Kindergarten Program	145,503,504	78,952,110	66,551,394	6,000,000	6,000,000	-	151,503,504	84,952,110	66,551,394
1380	Subsidized Child Care	349,652,436	293,364,595	56,287,841	13,523,522	13,523,522	-	363,175,958	306,888,117	56,287,841
1381	Smart Start - Subsidized Child Care	70,680,616	7,000,000	63,680,616	-	-	-	70,680,616	7,000,000	63,680,616
1991	Indirect Reserve	264,397	264,397	-				264,397	264,397	-
Division-wide Items				-			-			
N/A	TANF			-	(4,200,080)	(4,200,080)	-	(4,200,080)	(4,200,080)	-
N/A	CCDF				10,015,848	10,015,848	-	10,015,848	10,015,848	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	28,794	NA	28,794	28,794	NA	28,794
N/A	State Retirement Contribution			-	5,398	NA	5,398	5,398	NA	5,398
N/A	State Health Plan Reserve	-	-	-	6,427	NA	6,427	6,427	NA	6,427
Total		$690,322,380	$424,878,570	$265,443,810	$29,270,359	$25,729,740	$3,540,619	$719,592,739	$450,608,310	$268,984,429

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Child Development and Early Education											
Budget Code 14420		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
14A0	Smart Start - Health Related Activities	5,527,584		5,527,584	-	-	-	5,527,584	-	5,527,584	
1110	Service Support	4,374,082	2,438,734	1,935,348	-	-	-	4,374,082	2,438,734	1,935,348	
1151	Child Care - Regulation	14,491,135	14,491,135	-	74,686	74,686	-	14,565,821	14,565,821	-	
1152	DHHS - Criminal Record Checks	2,197,858	1,580,781	617,077	-	-	-	2,197,858	1,580,781	617,077	
1161	Child Care - Capacity Building	23,954,900	23,916,203	38,697	315,764	315,764	-	24,270,664	24,231,967	38,697	
1162	Smart Start - Child Care Related Activities	52,371,075		52,371,075	7,000,000	-	7,000,000	59,371,075	-	59,371,075	
1271	Smart Start - Family Support Activities	18,434,178		18,434,178	-	-	-	18,434,178	-	18,434,178	
1272	Child Care - Rated License	2,870,615	2,870,615	-	-	-	-	2,870,615	2,870,615	-	
1330	Pre-Kindergarten Program	145,503,504	78,952,110	66,551,394	12,200,000	12,200,000	-	157,703,504	91,152,110	66,551,394	
1380	Subsidized Child Care	349,652,436	293,364,595	56,287,841	17,523,522	17,523,522	-	367,175,958	310,888,117	56,287,841	
1381	Smart Start - Subsidized Child Care	70,680,616	7,000,000	63,680,616	-	-	-	70,680,616	7,000,000	63,680,616	
1991	Indirect Reserve	264,397	264,397	-				264,397	264,397	-	
Division-wide Items				-							
N/A	TANF			-	(4,200,000)	(4,200,000)	-	(4,200,000)	(4,200,000)	-	
N/A	CCDF				10,015,848	10,015,848	-	10,015,848	10,015,848	-	
Undesignated Items				-							
N/A	Compensation Increase Reserve			-	28,794	NA	28,794	28,794	NA	28,794	
N/A	State Retirement Contribution			-	25,042	NA	25,042	25,042	NA	25,042	
N/A	State Health Plan Reserve	-	-	-	13,619	NA	13,619	13,619	NA	13,619	
Total		$690,322,380	$424,878,570	$265,443,810	$42,997,275	$35,929,820	$7,067,455	$733,319,655	$460,808,390	$272,511,265	

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Child Development and Early Education					
Budget Code 14420		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	37.00	-	-	37.00
1151	Child Care - Regulation	211.00	-	1.00	212.00
1152	DHHS - Criminal Record Checks	21.00	-	-	21.00
1161	Child Care - Capacity Building	12.00	-	4.00	16.00
1330	Pre-Kindergarten Program	8.00	-	-	8.00
1380	Subsidized Child Care	27.00		7.00	34.00
Total FTE		**316.00**	**-**	**12.00**	**328.00**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Child Development and Early Education					
Budget Code 14420		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	37.00	-	-	37.00
1151	Child Care - Regulation	211.00	-	1.00	212.00
1152	DHHS - Criminal Record Checks	21.00	-	-	21.00
1161	Child Care - Capacity Building	12.00	-	4.00	16.00
1330	Pre-Kindergarten Program	8.00	-	-	8.00
1380	Subsidized Child Care	27.00	-	7.00	34.00
Total FTE		**316.00**	**-**	**12.00**	**328.00**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$265,443,810**		**$265,443,810**	
Legislative Changes				
(3.0) Division of Child Development and Early Education				
29 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$28,794	R	$28,794	R
30 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$5,398	R	$25,042	R
31 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$6,427	R	$13,619	R

32 NC Pre-K Reduce Waitlist

Fund Code: 1330

Provides $6 million in FY 2017-18 and $12.2 million in FY 2018-19 from the Temporary Assistance for Needy Families Block Grant(TANF) to serve more 4 year olds in the NC Pre-K program. Increased funding will serve an estimated additional 1,150 children in FY 2017-18 and 2,350 children in FY 2018-19. Total requirements for NC Pre-K are $151.5 million in FY 2017-18 and 157.7 million in FY 2018-19. The revised net appropriation for NC Pre-K remains $66.6 million in each year of the biennium.

33 Child Care Subsidy Market Rate Increase

Fund Code: 1380

Provides additional TANF block grant funds and adjusts Child Care Development Fund (CCDF) Block Grant funds for an increase of $13 million in FY 2017-18 and $17 million in FY 2018-19 in block grant funding. The market rate for school aged children in 3-,4- and 5- star centers and homes in tier 1 and tier 2 counties is increased to the recommended market rate effective October 1, 2017. Funding of $3 million is provided in FY 2017-18 and $4 million in FY 2018-19 for the school aged market rate increases. The market rate for infants to 2 year olds in 3-, 4- and 5 star centers and homes in tier 3 counties is increased effective October 1, 2017, by 70% of the difference between the current market rate and the recommended market rate. Funding of $6.8 million in FY 2017-18 is provided for this market rate increase. Effective July 1, 2018, the market rate for infants to 2 year olds in 3-,4-,5 star centers and homes in tier 3 counties is increased to the recommended market rate. Funding of $13 million is provided in FY 2018-19 for this increase. The county Tier designations are the designations from the 2015 County Tier designation. The recommended rates are from the 2015 Market Rate Study. Total requirements are $363.2 in FY 2017-18 and $367.2 in FY 2018-19 for the Child Care Subsidy program. The revised net appropriation for fund 1380, Subsidized Child Care, remains $56.3 million in each year of the biennium.

34 Child Care Quality Improvement
Fund Code: 1151, 1161, 1380

Provides CCDF Block Grant funding of $913,972 to establish 12 FTE. The positions established are 1 position to oversee the division's infant-toddler projects; 4 positions for the Subsidized Child Care program; 2 lead workers and 1 staff auditor for program compliance and fraud prevention, and 1 policy/planning consultant to assist with implementing the new CCDF requirements. The remaining 7 positions are established in the Early Education branch to support the early childhood workforce in the areas of licensing, professional development, and educational assessment. The revised net appropriation remains unchanged at $0 for fund 1151, Child Care Regulation, at $38,697 for fund 1161, Child Care Capacity Building, and $56.3 million for fund 1380, Subsidized Child Care in each year of the biennium.

35 Smart Start Reading Initiative $3,500,000 R $7,000,000 R
Fund Code: 1162

Provides funding to increase access to Dolly Parton's Imagination Library, an early literacy program that mails age-appropriate books to registered children on a monthly basis. Once fully implemented in FY 2018-19, access to the program will be statewide. Total Smart Start funding is increased to $150.5 million in FY 2017-18 and $154 million in FY 2018-19. The revised net appropriation for the Smart Start reading initiative, expanding Dolly Parton's Imagination Library, is $3.5 million in FY 2017-18 and $7 million in FY 2018-19.

36 Temporary Assistance for Needy Families (TANF) Block Grant
Fund Code: N/A

Reduces TANF block grant federal receipts in the amount of $4,200,080 in FY 2017-18 and $4,200,000 in FY 2018-19. The revised TANF block grant federal receipts for the Division are $131.4 million in FY 2017-18 and $142 million in FY 2018-19.

37 Child Care Development Fund (CCDF) Block Grant
Fund Code: N/A

Budgets CCDF block grant federal receipts in the amount of $10,015,848 in each year of the biennium. The revised CCDF block grant federal receipts for the Division are $207.7 million in FY 2017-18 and $207.2 million in FY 2018-19.

Senate Appropriations Committee on Health and Human Services	FY 17-18		FY 18-19	
Total Legislative Changes	$3,540,619	R	$7,067,455	R
Total Position Changes				
Revised Budget	**$268,984,429**		**$272,511,265**	

Division of Social Services
Budget Code 14440

General Fund Budget

	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$1,852,637,400	$1,852,637,400
Receipts	$1,666,042,347	$1,666,042,347
Net Appropriation	$186,595,053	$186,595,053
Legislative Changes		
Requirements	$28,749,313	$37,235,414
Receipts	$18,088,399	$20,430,701
Net Appropriation	$10,660,914	$16,804,713
Revised Budget		
Requirements	$1,881,386,713	$1,889,872,814
Receipts	$1,684,130,746	$1,686,473,048
Net Appropriation	$197,255,967	$203,399,766

General Fund FTE

Base Budget	427.00	427.00
Legislative Changes	0.00	0.00
Revised Budget	427.00	427.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Division of Social Services											
Budget Code 14440		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1110	Service Support	17,569,625	11,477,119	6,092,506	-	-	-	17,569,625	11,477,119	6,092,506	
1121	EBCI Administrative Funding	781,931	244,740	537,191				781,931	244,740	537,191	
1160	Child Welfare Training	7,615,054	6,432,452	1,182,602	3,798,947	2,061,045	1,737,902	11,414,001	8,493,497	2,920,504	
1261	Food and Nutrition Education	5,429,115	5,429,115	-	-	-	-	5,429,115	5,429,115	-	
1331	Family Preservation and Support	29,859,481	27,875,348	1,984,133	6,839,544	207,000	6,632,544	36,699,025	28,082,348	8,616,677	
1371	Child Support Enforcement	150,072,696	149,606,966	465,730	-	-	-	150,072,696	149,606,966	465,730	
1372	Food and Nutrition Services	184,770,266	183,362,060	1,408,206	-	-	-	184,770,266	183,362,060	1,408,206	
1373	LIEAP	66,583,756	66,578,756	5,000	-	-	-	66,583,756	66,578,756	5,000	
1374	Refugee Medical Assistance	63,979	63,979	-	-	-	-	63,979	63,979	-	
1376	Medicaid Eligibility	310,125,748	308,494,992	1,630,756	(4,361,975)	(3,087,545)	(1,274,430)	305,763,773	305,407,447	356,326	
1381	Refugee Cash and Social Services	5,735,756	5,735,756	-	-	-	-	5,735,756	5,735,756	-	
1382	Employment Benefits - Work First Family Assistance	76,181,276	75,459,413	721,863	-	-	-	76,181,276	75,459,413	721,863	
1383	Subsidized Child Care Administration	28,045,971	28,045,971	-	-	-	-	28,045,971	28,045,971	-	
1384	Employment Benefits	23,808,971	23,808,970	1	300,000	-	300,000	24,108,971	23,808,970	300,001	
1411	Case Management and Counseling	21,297,978	20,820,044	477,934	-	-	-	21,297,978	20,820,044	477,934	
1430	Dx Child Home Support - Child Protective Services	204,788,578	183,953,630	20,834,948	338,000	338,000	-	205,126,578	184,291,630	20,834,948	
1451	Adult Home Support - Community Based Services	38,470,075	36,343,344	2,126,731	-	-	-	38,470,075	36,343,344	2,126,731	
1453	Adult Home Support - At Risk Case Management (Adult)	10,008,252	9,036,611	971,641	-	-	-	10,008,252	9,036,611	971,641	
1481	ID Family Employment - Work First Employment Services	40,206,594	39,814,789	391,805	-	-	-	40,206,594	39,814,789	391,805	
1482	ID Family Employment - Food Nutrition Employment/Training	3,353,179	3,353,179	-	-	-	-	3,353,179	3,353,179	-	
1491	ID Family Emergency - Emergency Energy Assistance	38,398,157	38,398,157	-	-	-	-	38,398,157	38,398,157	-	
1510	Protection and Adult Support - Protection and Guardianship	37,853,100	36,500,850	1,352,250	-	-	-	37,853,100	36,500,850	1,352,250	
1531	OOH Child Support - Adoption	134,747,239	90,298,945	44,448,294	200,000	-	200,000	134,947,239	90,298,945	44,648,294	
1532	OOH Child Support - Foster Care	241,727,901	197,134,446	44,593,455	5,536,635	5,105,732	430,903	247,264,536	202,240,178	45,024,358	
1570	OOH Economic Support - State and County Special Assistance	121,388,502	64,018,495	57,370,007	10,000,000	5,000,000	5,000,000	131,388,502	69,018,495	62,370,007	
1701	Local/County Operations	52,533,026	52,533,026	-	-	-	-	52,533,026	52,533,026	-	
1900	Reserves and Transfers			-	161,439	2,755,915	(2,594,476)	161,439	2,755,915	(2,594,476)	
1991	Federal Indirect Reserve	990,743	990,743	-	-	-	-	990,743	990,743	-	
1992	Prior Year - Earned Revenue	230,451	230,451	-	-	-	-	230,451	230,451	-	
				-							
Division-wide Items				-							
N/A	TANF Block Grants			-	254,750	254,750	-	254,750	254,750	-	
N/A	SSBG Block Grant			-	5,587,401	5,587,401	-	5,587,401	5,587,401	-	
N/A	LIHEAP Block Grant			-	(1,989,501)	(1,989,501)	-	(1,989,501)	(1,989,501)	-	
N/A	CCDF Block Grant			-	(206,450)	(206,450)	-	(206,450)	(206,450)	-	
N/A	CSBG Block Grant			-	3,065,632	3,065,632	-	3,065,632	3,065,632	-	
N/A	TANF Cont Block Grant			-	(1,003,580)	(1,003,580)	-	(1,003,580)	(1,003,580)	-	
Undesignated Items				-							
N/A	Compensation Increase Reserve			-	166,262		166,262	166,262		166,262	
N/A	State Retirement Contribution			-	31,171		31,171	31,171		31,171	
N/A	State Health Plan Reserve	-	-	-	31,038		31,038	31,038	-	31,038	
Total		**$1,852,637,400**	**$1,666,042,347**	**$186,595,053**	**$28,749,313**	**$18,088,399**	**$10,660,914**	**$1,881,386,713**	**$1,684,130,746**	**$197,255,967**	

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Social Services										
Budget Code 14440		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	17,569,625	11,477,119	6,092,506	-	-	-	17,569,625	11,477,119	6,092,506
1121	EBCI Administrative Funding	781,931	244,740	537,191				781,931	244,740	537,191
1160	Child Welfare Training	7,615,054	6,432,452	1,182,602	3,798,947	2,061,045	1,737,902	11,414,001	8,493,497	2,920,504
1261	Food and Nutrition Education	5,429,115	5,429,115	-	-	-	-	5,429,115	5,429,115	-
1331	Family Preservation and Support	29,859,481	27,875,348	1,984,133	6,839,544	207,000	6,632,544	36,699,025	28,082,348	8,616,677
1371	Child Support Enforcement	150,072,696	149,606,966	465,730	-	-	-	150,072,696	149,606,966	465,730
1372	Food and Nutrition Services	184,770,266	183,362,060	1,408,206	-	-	-	184,770,266	183,362,060	1,408,206
1373	LIEAP	66,583,756	66,578,756	5,000	-	-	-	66,583,756	66,578,756	5,000
1374	Refugee Medical Assistance	63,979	63,979	-	-	-	-	63,979	63,979	-
1376	Medicaid Eligibility	310,125,748	308,494,992	1,630,756	(4,361,975)	(3,087,545)	(1,274,430)	305,763,773	305,407,447	356,326
1381	Refugee Cash and Social Services	5,735,756	5,735,756	-	-	-	-	5,735,756	5,735,756	-
1382	Employment Benefits - Work First Family Assistance	76,181,276	75,459,413	721,863	-	-	-	76,181,276	75,459,413	721,863
1383	Subsidized Child Care Administration	28,045,971	28,045,971	-	-	-	-	28,045,971	28,045,971	-
1384	Employment Benefits	23,808,971	23,808,970	1	300,000	-	300,000	24,108,971	23,808,970	300,001
1411	Case Management and Counseling	21,297,978	20,820,044	477,934	-	-	-	21,297,978	20,820,044	477,934
1430	Dx Child Home Support - Child Protective Services	204,788,578	183,953,630	20,834,948	738,000	407,479	330,521	205,526,578	184,361,109	21,165,469
1451	Adult Home Support - Community Based Services	38,470,075	36,343,344	2,126,731	-	-	-	38,470,075	36,343,344	2,126,731
1453	Adult Home Support - At Risk Case Management (Adult)	10,008,252	9,036,611	971,641	-	-	-	10,008,252	9,036,611	971,641
1481	ID Family Employment - Work First Employment Services	40,206,594	39,814,789	391,805	-	-	-	40,206,594	39,814,789	391,805
1482	ID Family Employment - Food Nutrition Employment/Training	3,353,179	3,353,179	-	-	-	-	3,353,179	3,353,179	-
1491	ID Family Emergency - Emergency Energy Assistance	38,398,157	38,398,157	-	-	-	-	38,398,157	38,398,157	-
1510	Protection and Adult Support - Protection and Guardianship	37,853,100	36,500,850	1,352,250	-	-	-	37,853,100	36,500,850	1,352,250
1531	OOH Child Support - Adoption	134,747,239	90,298,945	44,448,294	500,000	-	500,000	135,247,239	90,298,945	44,948,294
1532	OOH Child Support - Foster Care	241,727,901	197,134,446	44,593,455	12,682,268	9,954,503	2,727,765	254,410,169	207,088,949	47,321,220
1570	OOH Economic Support - State and County Special Assistance	121,388,502	64,018,495	57,370,007	10,000,000	5,000,000	5,000,000	131,388,502	69,018,495	62,370,007
1701	Local/County Operations	52,533,026	52,533,026	-	-	-	-	52,533,026	52,533,026	-
1900	Reserves and Transfers			-	3,229,695	2,755,915	473,780	3,229,695	2,755,915	473,780
1991	Federal Indirect Reserve	990,743	990,743	-	-	-	-	990,743	990,743	-
1992	Prior Year - Earned Revenue	230,451	230,451	-	-	-	-	230,451	230,451	-
				-						
Division-wide Items				-						
N/A	TANF Block Grants			-	254,750	254,750	-	254,750	254,750	-
N/A	SSBG Block Grant			-	5,619,535	5,619,535	-	5,619,535	5,619,535	-
N/A	LIHEAP Block Grant			-	(4,597,583)	(4,597,583)	-	(4,597,583)	(4,597,583)	-
N/A	CCDF Block Grant			-	(206,450)	(206,450)	-	(206,450)	(206,450)	-
N/A	CSBG Block Grant			-	3,065,632	3,065,632	-	3,065,632	3,065,632	-
N/A	TANF Cont Block Grant			-	(1,003,580)	(1,003,580)	-	(1,003,580)	(1,003,580)	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	166,262		166,262	166,262	N/A	166,262
N/A	State Retirement Contribution			-	144,598		144,598	144,598	N/A	144,598
N/A	State Health Plan Reserve	-	-	-	65,771		65,771	65,771	-	65,771
Total		**$1,852,637,400**	**$1,666,042,347**	**$186,595,053**	**$37,235,414**	**$20,430,701**	**$16,804,713**	**$1,889,872,814**	**$1,686,473,048**	**$203,399,766**

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Social Services					
Budget Code 14440		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	91.00	-	-	91.00
1160	Child Welfare Training	24.00	-	-	24.00
1331	Family Preservation and Support	5.00	-	-	5.00
1371	Child Support Enforcement	126.00	-	-	126.00
1372	Food and Nutrition Services	61.00	-	-	61.00
1381	Refugee Cash and Social Services	5.00	-	-	5.00
1384	Employment Benefits	10.00	-	-	10.00
1430	Dx Child Home Support - Child Protective Services	37.00	-		37.00
1481	Services	11.00	-	-	11.00
1482	Employment/Training	4.00	-	-	4.00
1531	OOH Child Support - Adoption	14.00	-	-	14.00
1532	OOH Child Support - Foster Care	39.00	-	-	39.00
Total FTE		**427.00**	**-**	**-**	**427.00**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Social Services					
Budget Code 14440		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	91.00	-	-	91.00
1160	Child Welfare Training	24.00	-	-	24.00
1331	Family Preservation and Support	5.00	-	-	5.00
1371	Child Support Enforcement	126.00	-	-	126.00
1372	Food and Nutrition Services	61.00	-	-	61.00
1381	Refugee Cash and Social Services	5.00	-	-	5.00
1384	Employment Benefits	10.00	-	-	10.00
1430	Dx Child Home Support - Child Protective Services	37.00	-		37.00
1481	Services	11.00	-	-	11.00
1482	Employment/Training	4.00	-	-	4.00
1531	OOH Child Support - Adoption	14.00	-	-	14.00
1532	OOH Child Support - Foster Care	39.00	-	-	39.00
Total FTE		427.00	-	-	427.00

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$186,595,053**		**$186,595,053**	
Legislative Changes				
(4.0) Division of Social Services				
38 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$166,262	R	$166,262	R
39 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$31,171	R	$144,598	R
40 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$31,038	R	$65,771	R

	FY 17-18		FY 18-19	
41 Family/Child Protection & Accountability Act				
Fund Code: 1900	$161,439	NR	$3,229,695	NR
Provides funding to support the following objectives: reform the State child welfare system; improve accountability and State oversight of the child welfare system; and development of a plan for a regional system of social services departments. A child well-being transformation council is established to improve coordination, collaboration, and communication among child-serving agencies. Funding is also provided to establish a pilot program to help youth in foster care obtain drivers licenses and to establish a pilot program to authorize a waiver of the employment requirement for foster parents with children receiving intensive alternative family treatment. The revised net appropriation for the Family/Child Protection & Accountability Act is $161,439 in FY 2017-18 and $3.2 million in FY 2018-19.				
42 Child Welfare Program Improvement Plan	$8,730,446	R	$9,146,696	R
Fund Code: 1160, 1331, 1430, 1531, 1532			$330,521	NR
Provides additional resources to implement the Program Improvement Plan as a result of the recent Child and Family Services Review (CFSR). The plan will establish professional development opportunities and ongoing training on specific child welfare issues. In-Home services are expanded. Post permanency support services are expanded to ensure families are supported once permanency is achieved. Funding is also provided to support medical homes for foster care children, and to support the development of a foster care and adoption parent association.				
Nonrecurring funding is provided in FY 2018-19 to develop a Placement Prevention practice model for Child Protection Services In-Home services. Nonrecurring funding in FY 2018-19 is also provided for a county Child Welfare workforce study, including a market rate analysis for state and county child welfare staff.				
The revised net appropriation for the Child Welfare Program Improvement Plan is $8.9 million in FY 2017-18 and $9.6 million in FY 2018-19.				
43 Temporary Assistance for Facilities that Serve Special Assistance Recipient				
Fund Code: 1570	$5,000,000	NR	$5,000,000	NR
Provides funding on a temporary basis for facilities that serve recipients of State County Special Assistance. Total funding is $10 million with a 50% match provided by the appropriate county. The revised net appropriation for temporary assistance for facilities that serve Special Assistance recipients is $5 million.				

	FY 17-18		FY 18-19	
44 Foster Care Caseload Growth **Fund Code:** 1532 Increases funding for foster care to support growth in the foster care caseload. The revised net appropriation from all actions in this report for fund 1532, Foster Care is $45 million in FY 2017-18 and $47.3 million in FY 2018-19.	$270,903	R	$2,451,515	R
45 Child Advocacy Centers **Fund Code:** 1331 Provides $207,000 for Child Advocacy Centers from the Social Services Block Grant. Total funding from all sources for Child Advocacy Centers is increased to $1 million. The revised net appropriation for Child Advocacy Centers remains unchanged at $400,000 in each year of the biennium.				
46 Child Medical Evaluation Program (CMEP) **Fund Code:** 1430 Increases funding for the Child Medical Evaluation Program (CMEP) from the Social Services Block Grant by $338,000 each year of the biennium to increase the rate paid for medical consultations to the regional average of $575. The program pays for medical evaluations for children who have been suspected of being physically or sexually abused. Funding in the Division of Social Services is for children who are not eligible for Medicaid. Funding is also provided in the Division of Medical Assistance for children who are Medicaid eligible. Total funding for CMEP in the Division of Social Services budget, fund 1430, Child Protective Services, is $1.2 million. The revised net appropriation for Fund 1430, Child Protective Services is $20.8 million in FY 2017-18 and $21.2 million in FY 2018-19.				
47 Supportive Employment Opportunities **Fund Code:** 1384 Provides funds to Marketing Association for Rehabilitation Centers (MARC), Inc., to fund staffing and positions to focus on business development leadership and technical support for advanced manufacturing. New job opportunities for people who are chronically unemployed will be created. The revised net appropriation for a job creation grant to MARC Inc. is $300,000.	$300,000	NR	$300,000	NR

	FY 17-18		FY 18-19	
48 Medicaid Non-Emergency Medical Transportation **Fund Code:** 1376 Realigns funding provided by county departments of social services for Medicaid non-emergency medical transportation to the Division of Medical Assistance. Funding for Medicaid non-emergency medical transportation is eliminated in the Division of Social Services budget. The revised net appropriation in Fund 1376, Medicaid Eligibility is $356,326 in each year of the biennium.	($1,274,430)	R	($1,274,430)	R
49 Social Services Block Grant Funds for Counties **Fund Code:** 1900 Replaces State General Fund appropriation for Social Services Block Grant (SSBG) services with Social Services Block Grant funds. State funds had been provided to counties when the SSBG block grant was reduced several years ago. This action eliminates General Fund appropriation and provides SSBG funding instead. The revised net appropriation for State SSBG services is $0 in both years of the biennium.	($2,755,915)	R	($2,755,915)	R
50 Temporary Assistance for Needy Families (TANF) Block Grant **Fund Code:** N/A Budgets TANF block grant federal receipts in the amount of $254,750 in each year of the biennium. The revised TANF block grant federal receipts for the Division are $163.7 million in each year of the biennium.				
51 TANF Contingency **Fund Code:** N/A Reduces TANF Contingency block grant federal receipts in the amount of $1,003,580 in each year of the biennium. This action eliminates TANF Contingency block grant federal receipts for the Division in each year of the biennium.				
52 Social Services Block Grant (SSBG) **Fund Code:** N/A Budgets SSBG federal receipts in the amount of $5,587,401 in FY 2017-18 and $5,619,535 in FY 2018-19. The revised SSBG federal receipts for the Division are $35 million in each year of the biennium.				

53 Low Income Energy Assistance Program (LIEAP) Block Grant
Fund Code: N/A

Reduces LIEAP block grant federal receipts in the amount of $1,989,501 in FY 2017-18 and $4,597,583 in FY 2018-19. The revised LIEAP block grant federal receipts for the Division are $96.6 million in FY 2017-18 and $94 million in FY 2018-19.

54 Child Care Development Fund (CCDF) Block Grant
Fund Code: N/A

Reduces CCDF block grant federal receipts in the amount of $206,450 in each year of the biennium. The revised CCDF block grant federal receipts for the Division are $16.9 million in each year of the biennium.

55 Community Services Block Grant (CSBG)
Fund Code: N/A

Budgets CSBG federal receipts in the amount of $3,065,632 in each year of the biennium. The revised CSBG federal receipts for the Division are $26.9 million in each year of the biennium.

Total Legislative Changes	**$5,199,475**	**R**	**$7,944,497**	**R**
	$5,461,439	**NR**	**$8,860,216**	**NR**
Total Position Changes				
Revised Budget	**$197,255,967**		**$203,399,766**	

Public Health
Budget Code 14430

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$869,485,765	$869,493,651
Receipts	$722,778,748	$722,780,196
Net Appropriation	$146,707,017	$146,713,455
Legislative Changes		
Requirements	$6,946,746	$7,433,184
Receipts	$2,395,965	$4,398,145
Net Appropriation	$4,550,781	$3,035,039
Revised Budget		
Requirements	$876,432,511	$876,926,835
Receipts	$725,174,713	$727,178,341
Net Appropriation	$151,257,798	$149,748,494

General Fund FTE		
Base Budget	1,904.26	1,904.26
Legislative Changes	0.00	0.00
Revised Budget	1,904.26	1,904.26

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Public Health											
Budget Code 14430		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1110	Service Support	21,972,920	12,761,512	9,211,408	-	-	-	21,972,920	12,761,512	9,211,408	
1151	Forensic Tests for Alcohol	4,324,408	4,323,040	1,368	-	-	-	4,324,408	4,323,040	1,368	
1152	Asbestos and Lead-based Paint - Hazard Mgmt	2,012,669	1,716,446	296,223	-	-	-	2,012,669	1,716,446	296,223	
1153	Environmental Health Regulation	8,378,213	4,973,147	3,405,066	(688,295)	556,865	(1,245,160)	7,689,918	5,530,012	2,159,906	
1161	Public Health - Capacity Building	14,483,128	1,360,873	13,122,255	-	-	-	14,483,128	1,360,873	13,122,255	
1171	State Center for Health Statistics	5,681,088	2,790,375	2,890,713	-	-	-	5,681,088	2,790,375	2,890,713	
1172	Office of Chief Medical Examiner	13,133,667	2,676,795	10,456,872	-	-	-	13,133,667	2,676,795	10,456,872	
1173	Vital Records	4,170,660	3,081,820	1,088,840	-	-	-	4,170,660	3,081,820	1,088,840	
1174	Public Health - Lab	28,680,563	24,103,611	4,576,952	-	(3,000,000)	3,000,000	28,680,563	21,103,611	7,576,952	
1175	Public Health - Surveillance	11,195,460	9,022,143	2,173,317	-	-	-	11,195,460	9,022,143	2,173,317	
1261	Public Health - Promotion	6,858,800	5,846,005	1,012,795	-	-	-	6,858,800	5,846,005	1,012,795	
1262	Health Disparities	3,156,165	36,443	3,119,722	-	-	-	3,156,165	36,443	3,119,722	
1264	Public Health - Preparedness and Response	11,854,567	9,741,478	2,113,089	-	-	-	11,854,567	9,741,478	2,113,089	
126C	Access Outreach - Chronic Disease	4,605,853	3,755,199	850,654	100,000	-	100,000	4,705,853	3,755,199	950,654	
1271	Children and Adult Health Prevention	29,160,286	20,009,922	9,150,364	1,267,000	167,000	1,100,000	30,427,286	20,176,922	10,250,364	
1272	Child and Adult Nutrition Services	125,825,146	125,824,614	532	-	-	-	125,825,146	125,824,614	532	
1311	HIV/STD Prevention Activities	18,640,702	14,564,149	4,076,553	-	-	-	18,640,702	14,564,149	4,076,553	
1312	Medical Evaluation and Risk Assessment	1,331,101	720,949	610,152	-	-	-	1,331,101	720,949	610,152	
1313	Wisewoman	1,182,821	1,182,821	-	-	-	-	1,182,821	1,182,821	-	
1320	Breast and Cervical Cancer Control	4,794,104	3,186,654	1,607,450	-	-	-	4,794,104	3,186,654	1,607,450	
1331	Immunization	9,442,186	8,309,494	1,132,692	-	-	-	9,442,186	8,309,494	1,132,692	
1332	Children's Health Services	27,336,804	9,165,299	18,171,505	-	-	-	27,336,804	9,165,299	18,171,505	
1370	Refugee Health Assessment	399,134	399,134	-	-	-	-	399,134	399,134	-	
13A1	Maternal and Infant Health	51,743,009	39,865,568	11,877,441	-	-	-	51,743,009	39,865,568	11,877,441	
13A2	Women, Infants and Children (WIC)	296,895,133	296,537,280	357,853	3,862,321	3,862,321	-	300,757,454	300,399,601	357,853	
13B0	Oral Health Preventive Services	4,922,010	1,864,294	3,057,716	-	-	-	4,922,010	1,864,294	3,057,716	
1421	Sickle Cell Adult Treatment	1,385,940	331,049	1,054,891	-	-	-	1,385,940	331,049	1,054,891	
1441	Early Intervention	68,087,441	46,414,313	21,673,128	690,594	-	690,594	68,778,035	46,414,313	22,363,722	
1460	Communicable Disease (HIV/AIDS and TB)	80,247,035	63,261,706	16,985,329	-	-	-	80,247,035	63,261,706	16,985,329	
14A0	Sickle Cell Support - Children	2,985,803	353,666	2,632,137	-	-	-	2,985,803	353,666	2,632,137	
1991	Federal Indirect Reserve	4,598,949	4,598,949	-	-	-	-	4,598,949	4,598,949	-	
				-				-	-	-	
Division-wide Items				-							
N/A	TANF Block Grant				(572)	(572)	-	(572)	(572)	-	
N/A	Preventative Health Block Grant			-	1,133,176	1,133,176	-	1,133,176	1,133,176	-	
N/A	Substance Abuse Block Grant			-	199,980	199,980	-	199,980	199,980	-	
N/A	Maternal Health Block Grant			-	(522,330)	(522,330)	-	(522,330)	(522,330)	-	
N/A	Child Development Block Grant			-	(475)	(475)	-	(475)	(475)	-	
Undesignated Items				-							
N/A	Compensation Increase Reserve			-	662,397	NA	662,397	662,397	NA	662,397	
N/A	State Retirement Contribution			-	123,969	NA	123,969	123,969	NA	123,969	
N/A	State Health Plan Reserve	-	-	-	118,981	NA	118,981	118,981	NA	118,981	
Total		**$869,485,765**	**$722,778,748**	**$146,707,017**	**$6,946,746**	**$2,395,965**	**$4,550,781**	**$876,432,511**	**$725,174,713**	**$151,257,798**	

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Public Health										
Budget Code 14430		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	21,972,920	12,761,512	9,211,408	-	-	-	21,972,920	12,761,512	9,211,408
1151	Forensic Tests for Alcohol	4,324,408	4,323,040	1,368	-	-	-	4,324,408	4,323,040	1,368
1152	Asbestos and Lead-based Paint - Hazard Mgmt	2,012,669	1,716,446	296,223	-	-	-	2,012,669	1,716,446	296,223
1153	Environmental Health Regulation	8,378,213	4,973,147	3,405,066	(686,115)	559,045	(1,245,160)	7,692,098	5,532,192	2,159,906
1161	Public Health - Capacity Building	14,483,128	1,360,873	13,122,255	-	-	-	14,483,128	1,360,873	13,122,255
1171	State Center for Health Statistics	5,681,088	2,790,375	2,890,713	-	-	-	5,681,088	2,790,375	2,890,713
1172	Office of Chief Medical Examiner	13,133,667	2,676,795	10,456,872	-	-	-	13,133,667	2,676,795	10,456,872
1173	Vital Records	4,170,660	3,081,820	1,088,840	-	-	-	4,170,660	3,081,820	1,088,840
1174	Public Health - Lab	28,680,563	24,103,611	4,576,952	-	(1,000,000)	1,000,000	28,680,563	23,103,611	5,576,952
1175	Public Health - Surveillance	11,195,460	9,022,143	2,173,317	-	-	-	11,195,460	9,022,143	2,173,317
1261	Public Health - Promotion	6,858,800	5,846,005	1,012,795	-	-	-	6,858,800	5,846,005	1,012,795
1262	Health Disparities	3,156,165	36,443	3,119,722	-	-	-	3,156,165	36,443	3,119,722
1264	Public Health - Preparedness and Response	11,854,567	9,741,478	2,113,089	-	-	-	11,854,567	9,741,478	2,113,089
126C	Access Outreach - Chronic Disease	4,605,853	3,755,199	850,654	-	-	-	4,605,853	3,755,199	850,654
1271	Children and Adult Health Prevention	29,160,286	20,009,922	9,150,364	1,267,000	167,000	1,100,000	30,427,286	20,176,922	10,250,364
1272	Child and Adult Nutrition Services	125,825,146	125,824,614	532	-	-	-	125,825,146	125,824,614	532
1311	HIV/STD Prevention Activities	18,640,702	14,564,149	4,076,553	-	-	-	18,640,702	14,564,149	4,076,553
1312	Medical Evaluation and Risk Assessment	1,331,101	720,949	610,152	-	-	-	1,331,101	720,949	610,152
1313	Wisewoman	1,182,821	1,182,821	-	-	-	-	1,182,821	1,182,821	-
1320	Breast and Cervical Cancer Control	4,794,104	3,186,654	1,607,450	-	-	-	4,794,104	3,186,654	1,607,450
1331	Immunization	9,442,186	8,309,494	1,132,692	-	-	-	9,442,186	8,309,494	1,132,692
1332	Children's Health Services	27,336,804	9,165,299	18,171,505	-	-	-	27,336,804	9,165,299	18,171,505
1370	Refugee Health Assessment	399,134	399,134	-	-	-	-	399,134	399,134	-
13A1	Maternal and Infant Health	51,743,009	39,865,568	11,877,441	-	-	-	51,743,009	39,865,568	11,877,441
13A2	Women, Infants and Children (WIC)	296,895,133	296,537,280	357,853	3,862,321	3,862,321	-	300,757,454	300,399,601	357,853
13B0	Oral Health Preventive Services	4,922,010	1,864,294	3,057,716	-	-	-	4,922,010	1,864,294	3,057,716
1421	Sickle Cell Adult Treatment	1,385,940	331,049	1,054,891	-	-	-	1,385,940	331,049	1,054,891
1441	Early Intervention	68,095,327	46,415,761	21,679,566	690,594	-	690,594	68,785,921	46,415,761	22,370,160
1460	Communicable Disease (HIV/AIDS and TB)	80,247,035	63,261,706	16,985,329	-	-	-	80,247,035	63,261,706	16,985,329
14A0	Sickle Cell Support - Children	2,985,803	353,666	2,632,137	-	-	-	2,985,803	353,666	2,632,137
1991	Federal Indirect Reserve	4,598,949	4,598,949	-	-	-	-	4,598,949	4,598,949	-
				-				-	-	-
Division-wide Items				-						
N/A	TANF Block Grant				(572)	(572)	-	(572)	(572)	-
N/A	Preventative Health Block Grant			-	1,133,176	1,133,176	-	1,133,176	1,133,176	-
N/A	Substance Abuse Block Grant			-	199,980	199,980	-	199,980	199,980	-
N/A	Maternal Health Block Grant			-	(522,330)	(522,330)	-	(522,330)	(522,330)	-
N/A	Child Development Block Grant			-	(475)	(475)	-	(475)	(475)	-
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	662,397	NA	662,397	662,397	N/A	662,397
N/A	State Retirement Contribution			-	575,081	NA	575,081	575,081	N/A	575,081
N/A	State Health Plan Reserve	-	-	-	252,127	NA	252,127	252,127	N/A	252,127
Total		**$869,493,651**	**$722,780,196**	**$146,713,455**	**$7,433,184**	**$4,398,145**	**$3,035,039**	**$876,926,835**	**$727,178,341**	**$149,748,494**

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Public Health					
Budget Code 14430		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	122.00	-	-	122.00
1151	Forensic Tests for Alcohol	31.00	-	-	31.00
1152	Asbestos and Lead-based Paint - Hazard Mgmt	23.00	-	-	23.00
1153	Environmental Health Regulation	54.00	(13.00)	5.00	46.00
1161	Public Health - Capacity Building	24.00	-	-	24.00
1171	State Center for Health Statistics	53.50	-	-	53.50
1172	Office of Chief Medical Examiner	53.50	-	-	53.50
1173	Vital Records	68.00	-	-	68.00
1174	Public Health - Lab	209.00	-	-	209.00
1175	Public Health - Surveillance	38.00	-	-	38.00
1261	Public Health - Promotion	6.00	-	-	6.00
1262	Health Disparities	4.00	-	-	4.00
1264	Public Health - Preparedness and Response	37.00	-	-	37.00
126C	Access Outreach - Chronic Disease	17.90	-	-	17.90
1271	Children and Adult Health Prevention	62.75	-	-	62.75
1272	Child and Adult Nutrition Services	27.00	-	-	27.00
1311	HIV/STD Prevention Activities	118.00	-	-	118.00
1312	Medical Evaluation and Risk Assessment	12.00	-	-	12.00
1313	Wisewoman	5.01	-	-	5.01
1320	Breast and Cervical Cancer Control	10.01	-	-	10.01
1331	Immunization	48.00	-	-	48.00
1332	Children's Health Services	35.87	-	-	35.87
1370	Refugee Health Assessment	1.00	-	-	1.00
13A1	Maternal and Infant Health	39.00	-	-	39.00
13A2	Women, Infants and Children (WIC)	46.00	-	-	46.00
13B0	Oral Health Preventive Services	39.00	-	-	39.00
1421	Sickle Cell Adult Treatment	3.00	-	-	3.00
1441	Early Intervention	666.73	8.00	-	674.73
1460	Communicable Disease (HIV/AIDS and TB)	41.00	-	-	41.00
14A0	Sickle Cell Support - Children	9.00	-	-	9.00
Total FTE		**1,904.26**	**(5.00)**	**5.00**	**1,904.26**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Public Health					
Budget Code 14430		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	122.00	-	-	122.00
1151	Forensic Tests for Alcohol	31.00	-	-	31.00
1152	Asbestos and Lead-based Paint - Hazard Mgmt	23.00	-	-	23.00
1153	Environmental Health Regulation	54.00	(13.00)	5.00	46.00
1161	Public Health - Capacity Building	24.00	-	-	24.00
1171	State Center for Health Statistics	53.50	-	-	53.50
1172	Office of Chief Medical Examiner	53.50	-	-	53.50
1173	Vital Records	68.00	-	-	68.00
1174	Public Health - Lab	209.00	-	-	209.00
1175	Public Health - Surveillance	38.00	-	-	38.00
1261	Public Health - Promotion	6.00	-	-	6.00
1262	Health Disparities	4.00	-	-	4.00
1264	Public Health - Preparedness and Response	37.00	-	-	37.00
126C	Access Outreach - Chronic Disease	17.90	-	-	17.90
1271	Children and Adult Health Prevention	62.75	-	-	62.75
1272	Child and Adult Nutrition Services	27.00	-	-	27.00
1311	HIV/STD Prevention Activities	118.00	-	-	118.00
1312	Medical Evaluation and Risk Assessment	12.00	-	-	12.00
1313	Wisewoman	5.01	-	-	5.01
1320	Breast and Cervical Cancer Control	10.01	-	-	10.01
1331	Immunization	48.00	-	-	48.00
1332	Children's Health Services	35.87	-	-	35.87
1370	Refugee Health Assessment	1.00	-	-	1.00
13A1	Maternal and Infant Health	39.00	-	-	39.00
13A2	Women, Infants and Children (WIC)	46.00	-	-	46.00
13B0	Oral Health Preventive Services	39.00	-	-	39.00
1421	Sickle Cell Adult Treatment	3.00	-	-	3.00
1441	Early Intervention	666.73	8.00	-	674.73
1460	Communicable Disease (HIV/AIDS and TB)	41.00	-	-	41.00
14A0	Sickle Cell Support - Children	9.00	-	-	9.00
Total FTE		**1,904.26**	**(5.00)**	**5.00**	**1,904.26**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$146,707,017**		**$146,713,455**	
Legislative Changes				
(5.0) Division of Public Health				
56 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$662,397	R	$662,397	R
57 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$123,969	R	$575,081	R
58 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$118,981	R	$252,127	R

	FY 17-18		FY 18-19	
59 Children's Developmental Service Agencies (CDSAs)	$690,594	R	$690,594	R
Fund Code: 1441	8.00		8.00	

Provides funds to address staffing deficiencies in the 2 CDSAs remaining subject to a federal corrective action plan: New Bern and Blue Ridge. The revised net appropriation for Early Intervention is $22.4 million in each year of the biennium. The following positions are established:

New Bern CDSA

#	Title	Cost
2.0	Occupational Therapist	$173,217
2.0	Physical Therapist	$191,233
2.0	Speech/Language Pathologist	$161,850
1.0	Psychologist	$ 77,860

Blue Ridge CDSA

1.0	Occupational Therapist	$86,608

60 Nurse Family Partnership Program	$600,000	R	$600,000	R
Fund Code: 1271				

Provides funds to expand Nurse Family Partnership Program home visiting services. The revised net appropriation for the Nurse Family Partnership Program is $2.3 million in each year of the biennium.

61 Smoking Cessation Programs	$500,000	R	$500,000	R
Fund Code: 1271				

Provides funds for QuitlineNC and the You Quit Two Quit smoking cessation programs. The revised net appropriation for Children and Adult Health Prevention is $10.6 million in each year of the biennium.

62 State Laboratory of Public Health	$1,000,000	R	$1,000,000	R
Fund Code: 1174	$2,000,000	NR		

Provides funding to address the State Laboratory's structural budget deficit. The revised net appropriation for the State Laboratory of Public Health is $7.6 million in FY 2017-18 and $5.6 million in FY 2018-19.

	FY 17-18		FY 18-19	
63 On-site Water Protection Branch **Fund Code:** 1153 Adjusts the budget to effect a Type 1 transfer of the On-site Water Protection Branch from the Division of Public Health to the Department of Environmental Quality, per G.S.143A-6. One receipt-supported position is included in the transfer. The revised net appropriation for Environmental Health Regulation is $2.2 million in each year of the biennium.	($1,245,160) -13.00	R	($1,245,160) -13.00	R
64 Advisory Council on Rare Diseases **Fund Code:** 126C Provides funds to support the start-up costs of the Advisory Council on Rare Diseases established by S.L. 2015-199. The revised net appropriation for Fund 126C is $950,654 in FY 2017-18 and $850,654 in FY 2018-19.	$100,000	NR		
65 Federal Elevated Blood Lead Standard **Fund Code:** 1153 Budgets Medicaid receipts to conform the State's elevated blood lead standard with the federal standard. The receipts will fund 6 full-time positions to handle the increased workload. The receipts total $556,865 in FY 2017-18 and $559,045 in FY 2018-19.				
66 NC WIC Electronics Benefit Transfer **Fund Code:** 13A2 Budgets federal Women, Infants, and Children (WIC) Program receipts in the amount of $3,862,321 to transition WIC from a paper food instrument to an electronic benefits transfer (EBT) process for purchasing WIC foods.				
67 Temporary Assistance for Needy Families (TANF) Block Grant **Fund Code:** N/A Reduces TANF block grant federal receipts in the amount of $572 in each year of the biennium. The revised TANF block grant federal receipts for the Division are $3.0 million in each year of the biennium.				
68 Child Care Development Fund (CCDF) Block Grant **Fund Code:** N/A Reduces CCDF block grant federal receipts in the amount of $475 in each year of the biennium. The revised CCDF block grant federal receipts for the Division are $62,205 in each year of the biennium.				

	FY 17-18		FY 18-19	

69 Substance Abuse Prevention and Treatment (SAPT) Block Grant

Fund Code: N/A

Budgets SAPT block grant federal receipts in the amount of $199,980 in each year of the biennium. The revised SAPT block grant federal receipts for the Division are $965,949 in each year of the biennium.

70 Maternal and Child Health (MCH) Block Grant

Fund Code: N/A

Reduces MCH block grant federal receipts in the amount of $522,330 in each year of the biennium. The revised MCH block grant federal receipts for the Division are $18.1 million in each year of the biennium.

71 Preventive Health Services Block Grant

Fund Code: N/A

Budgets Preventive Health Services block grant federal receipts in the amount of $1,133,176 in each year of the biennium. The revised Preventive Health Services block grant federal receipts for the Division are $6.1 million in each year of the biennium.

Total Legislative Changes	**$2,450,781**	**R**	**$3,035,039**	**R**
	$2,100,000	**NR**		
Total Position Changes	-5.00		-5.00	
Revised Budget	**$151,257,798**		**$149,748,494**	

Division of Public Health Special Fund

Budget Code: 24430

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$2,111,762**			
Recommended Budget				
Requirements	**$1,291,139**		**$1,291,139**	
Receipts	**$1,291,139**		**$1,291,139**	
Positions	**2.00**		**2.00**	
Legislative Changes				
Requirements:				
Well Construction (2153) Adjusts the budget to reflect the transfer of the Well Construction Unit from the DHHS Division of Public Health to the Department of Environmental Quality as a Type 1 transfer, per G.S. 143A-6.	($254,392) -2.00	R NR	($254,392) $0 -2.00	R NR
On-site Subsurface Waste (2754) Adjusts the budget to reflect the transfer of the On-site Subsurface Waste Unit from the DHHS Division of Public Health to the Department of Environmental Quality as a Type 1 transfer, per G.S. 143A-6.	($25,000) 0.00	R NR	($25,000) $0 0.00	R NR
Subtotal Legislative Changes	**($279,392)** -2.00	R NR	**($279,392)** **$0** -2.00	R NR
Receipts:				
Well Construction Fund (2153) Transfers the Well Construction Fund from the DHHS Division of Public Health to the Department of Environmental Quality as a Type 1 transfer, per G.S. 143A-6.	($254,392) $0	R NR	($254,392) $0	R NR

	FY 2017-18		FY 2018-19	
On-site Subsurface Waste Fund (2754) Adjusts the budget to reflect the Type 1 transfer, per G.S. 143A-6, of the On-site Subsurface Waste Fund from the DHHS Division of Public Health to the Department of Environmental Quality. A related item can be found in the General Fund that shows funds transferred to the On-site Wastewater Program.	($25,000)	R	($25,000)	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**($279,392)**	R	**($279,392)**	R
	$0	NR	**$0**	NR
Revised Total Requirements			**$1,011,747**	
Revised Total Receipts	**$1,011,747**		**$1,011,747**	
Change in Fund Balance			**$0**	
Total Positions	**0.00**		**0.00**	
Unappropriated Balance Remaining				

Mental Health/Developmental Disabilities/Substance Abuse Services
Budget Code 14460

General Fund Budget

	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$1,487,463,766	$1,486,234,730
Receipts	$755,811,078	$754,582,042
Net Appropriation	$731,652,688	$731,652,688
Legislative Changes		
Requirements	($53,338,340)	($82,098,662)
Receipts	($6,104,324)	($5,859,626)
Net Appropriation	($47,234,016)	($76,239,036)
Revised Budget		
Requirements	$1,434,125,426	$1,404,136,068
Receipts	$749,706,754	$748,722,416
Net Appropriation	$684,418,672	$655,413,652

General Fund FTE

Base Budget	11,201.30	11,201.30
Legislative Changes	(25.70)	(25.70)
Revised Budget	11,175.60	11,175.60

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services											
Budget Code 14460		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1110	Service Support	24,468,132	7,989,504	16,478,628	400,000	-	400,000	24,868,132	7,989,504	16,878,628	
1160	MH/DD/SA Workforce Development	1,328,819	1,248,674	80,145	-	-	-	1,328,819	1,248,674	80,145	
1262	Enforce Underage Drinking Laws	360,000	360,000	-	-	-	-	360,000	360,000	-	
1271	General SA Prevention - Quality Improvement	9,522,255	9,259,532	262,723	-	-	-	9,522,255	9,259,532	262,723	
1332	Targeted Substance Abuse Prevention	352,692	337,692	15,000	-	-	-	352,692	337,692	15,000	
1422	Community Services - Single Stream Funding	379,737,084	262,728	379,474,356	(69,443,908)	-	(69,443,908)	310,293,176	262,728	310,030,448	
1442	Community Substance Abuse Services - Child	3,986,024	3,986,024	-	-	-	-	3,986,024	3,986,024	-	
1443	Community Services - Riddle Center - FIPP	2,070,664	2,065,561	5,103	-	-	-	2,070,664	2,065,561	5,103	
1444	Community Mental Health Services - Child	10,426,412	8,248,003	2,178,409	-	-	-	10,426,412	8,248,003	2,178,409	
1445	Community Developmental Disability Services - Child	205,034	-	205,034	-	-	-	205,034	-	205,034	
1451	Community Services - Traumatic Brain Injury	606,202	246,984	359,218	-	-	-	606,202	246,984	359,218	
1452	Path Homelessness	1,379,000	1,379,000	-	-	-	-	1,379,000	1,379,000	-	
1461	Community Mental Health Services - Adult	12,918,103	12,195,332	722,771	-	-	-	12,918,103	12,195,332	722,771	
1462	Community Developmental Disability Services - Adult	1,915,022	1,480,724	434,298	-	-	-	1,915,022	1,480,724	434,298	
1463	Community Substance Abuse Services - Adult	36,449,714	34,253,819	2,195,895	-	-	-	36,449,714	34,253,819	2,195,895	
1464	Community Crisis Services	41,457,644	2,606,000	38,851,644	2,500,000	-	2,500,000	43,957,644	2,606,000	41,351,644	
1543	Whitaker School	5,320,140	5,320,140	-	-	-	-	5,320,140	5,320,140	-	
1546	Wright School - Child	3,090,124	510	3,089,614	(2,317,593)	(383)	(2,317,210)	772,531	127	772,404	
1561	Broughton Hospital - Adult	137,589,582	67,775,799	69,813,783	3,500,000	-	3,500,000	141,089,582	67,775,799	73,313,783	
1562	Cherry Hospital - Adult	154,585,941	73,465,063	81,120,878	-	-	-	154,585,941	73,465,063	81,120,878	
1563	Central Regional Hospital - Adult	219,563,041	108,180,168	111,382,873	-	-	-	219,563,041	108,180,168	111,382,873	
1565	Caswell Developmental Center - Adult	92,174,277	91,257,753	916,524	-	-	-	92,174,277	91,257,753	916,524	
1566	Murdoch Developmental Center - Adult	105,782,256	104,025,259	1,756,997	-	-	-	105,782,256	104,025,259	1,756,997	
1567	J Iverson Riddle Developmental Center - Adult	61,704,322	60,394,303	1,310,019	-	-	-	61,704,322	60,394,303	1,310,019	
156A	Longleaf Neuro-Medical Treatment Center - Adult	35,899,787	31,778,532	4,121,255	-	-	-	35,899,787	31,778,532	4,121,255	
156B	Black Mountain Neuro-Medical Treatment Center - Adult	29,071,307	27,678,051	1,393,256	-	-	-	29,071,307	27,678,051	1,393,256	
156C	O'Berry Neuro-Medical Treatment Center - Adult	55,621,003	55,134,138	486,865	-	-	-	55,621,003	55,134,138	486,865	
156D	Julian F Keith ADATC - Adult	15,813,217	15,812,631	586	-	-	-	15,813,217	15,812,631	586	
156E	RJ Blackley ADATC - Adult	15,357,273	15,357,273	-	-	-	-	15,357,273	15,357,273	-	
156F	Walter B Jones ADATC - Adult	13,711,881	13,711,881	-	-	-	-	13,711,881	13,711,881	-	
1910	Reserves and Transfers	14,996,814		14,996,814	7,489,697	(4,367,656)	11,857,353	22,486,511	(4,367,656)	26,854,167	
				-							
Division-wide Items				-							
N/A	Mental Health Block Grant			-	63,715	63,715	-	63,715	63,715	-	
N/A	Substance Abuse Block Grant			-	(1,800,000)	(1,800,000)	-	(1,800,000)	(1,800,000)	-	
N/A	Compensation Increase Reserve			-	4,723,528	N/A	4,723,528	4,723,528	N/A	4,723,528	
N/A	State Retirement Contribution			-	688,411	N/A	688,411	688,411	N/A	688,411	
N/A	State Health Plan Reserve	-	-	-	857,810	N/A	857,810	857,810	N/A	857,810	
Total		$1,487,463,766	$755,811,078	$731,652,688	($53,338,340)	($6,104,324)	($47,234,016)	$1,434,125,426	$749,706,754	$684,418,672	

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services										
Budget Code 14460		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	24,468,132	7,989,504	16,478,628	550,000	-	550,000	25,018,132	7,989,504	17,028,628
1160	MH/DD/SA Workforce Development	1,328,819	1,248,674	80,145	-	-	-	1,328,819	1,248,674	80,145
1262	Enforce Underage Drinking Laws	360,000	360,000	-	-	-	-	360,000	360,000	-
1271	General SA Prevention - Quality Improvement	9,522,255	9,259,532	262,723	-	-	-	9,522,255	9,259,532	262,723
1332	Targeted Substance Abuse Prevention	352,692	337,692	15,000	-	-	-	352,692	337,692	15,000
1422	Community Services - Single Stream Funding	379,737,084	262,728	379,474,356	(101,480,621)	-	(101,480,621)	278,256,463	262,728	277,993,735
1442	Community Substance Abuse Services - Child	3,986,024	3,986,024	-	-	-	-	3,986,024	3,986,024	-
1443	Community Services - Riddle Center - FIPP	2,070,664	2,065,561	5,103	-	-	-	2,070,664	2,065,561	5,103
1444	Community Mental Health Services - Child	9,852,876	7,674,467	2,178,409	-	-	-	9,852,876	7,674,467	2,178,409
1445	Community Developmental Disability Services - Child	205,034	-	205,034	-	-	-	205,034	-	205,034
1451	Community Services - Traumatic Brain Injury	606,202	246,984	359,218	-	-	-	606,202	246,984	359,218
1452	Path Homelessness	1,379,000	1,379,000	-	-	-	-	1,379,000	1,379,000	-
1461	Community Mental Health Services - Adult	12,918,103	12,195,332	722,771	-	-	-	12,918,103	12,195,332	722,771
1462	Community Developmental Disability Services - Adult	1,915,022	1,480,724	434,298	-	-	-	1,915,022	1,480,724	434,298
1463	Community Substance Abuse Services - Adult	35,794,214	33,598,319	2,195,895	-	-	-	35,794,214	33,598,319	2,195,895
1464	Community Crisis Services	41,457,644	2,606,000	38,851,644	2,500,000	-	2,500,000	43,957,644	2,606,000	41,351,644
1543	Whitaker School	5,320,140	5,320,140	-	-	-	-	5,320,140	5,320,140	-
1546	Wright School - Child	3,090,124	510	3,089,614	(3,090,124)	(510)	(3,089,614)	-	-	-
1561	Broughton Hospital - Adult	137,589,582	67,775,799	69,813,783	3,500,000	-	3,500,000	141,089,582	67,775,799	73,313,783
1562	Cherry Hospital - Adult	154,585,941	73,465,063	81,120,878	-	-	-	154,585,941	73,465,063	81,120,878
1563	Central Regional Hospital - Adult	219,563,041	108,180,168	111,382,873	-	-	-	219,563,041	108,180,168	111,382,873
1565	Caswell Developmental Center - Adult	92,174,277	91,257,753	916,524	-	-	-	92,174,277	91,257,753	916,524
1566	Murdoch Developmental Center - Adult	105,782,256	104,025,259	1,756,997	-	-	-	105,782,256	104,025,259	1,756,997
1567	J Iverson Riddle Developmental Center - Adult	61,704,322	60,394,303	1,310,019	-	-	-	61,704,322	60,394,303	1,310,019
156A	Longleaf Neuro-Medical Treatment Center - Adult	35,899,787	31,778,532	4,121,255	-	-	-	35,899,787	31,778,532	4,121,255
156B	Black Mountain Neuro-Medical Treatment Center - Adult	29,071,307	27,678,051	1,393,256	-	-	-	29,071,307	27,678,051	1,393,256
156C	O'Berry Neuro-Medical Treatment Center - Adult	55,621,003	55,134,138	486,865	-	-	-	55,621,003	55,134,138	486,865
156D	Julian F Keith ADATC - Adult	15,813,217	15,812,631	586	-	-	-	15,813,217	15,812,631	586
156E	RJ Blackley ADATC - Adult	15,357,273	15,357,273	-	-	-	-	15,357,273	15,357,273	-
156F	Walter B Jones ADATC - Adult	13,711,881	13,711,881	-	-	-	-	13,711,881	13,711,881	-
1910	Reserves and Transfers	14,996,814		14,996,814	7,827,786	(4,122,831)	11,950,617	22,824,600	(4,122,831)	26,947,431
				-						
Division-wide Items				-						
N/A	Mental Health Block Grant			-	63,715	63,715	-	63,715	63,715	-
N/A	Substance Abuse Block Grant			-	(1,800,000)	(1,800,000)	-	(1,800,000)	(1,800,000)	-
N/A	Compensation Increase Reserve			-	4,819,381	N/A	4,819,381	4,819,381	N/A	4,819,381
N/A	State Retirement Contribution			-	3,193,460	N/A	3,193,460	3,193,460	N/A	3,193,460
N/A	State Health Plan Reserve	-	-	-	1,817,741	N/A	1,817,741	1,817,741	N/A	1,817,741
Total		$1,486,234,730	$754,582,042	$731,652,688	($82,098,662)	($5,859,626)	($76,239,036)	$1,404,136,068	$748,722,416	$655,413,652

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services					
Budget Code 14460		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	202.00	-	-	202.00
1443	Community Services - Riddle Center - FIPP	25.50	-	-	25.50
1543	Whitaker School	71.00	-	-	71.00
1546	Wright School - Child	38.70	(38.70)	-	-
1561	Broughton Hospital - Adult	1,328.50	-	-	1,328.50
1562	Cherry Hospital - Adult	1,350.10	-	-	1,350.10
1563	Central Regional Hospital - Adult	1,858.49	-	-	1,858.49
1565	Caswell Developmental Center - Adult	1,423.50	-	-	1,423.50
1566	Murdoch Developmental Center - Adult	1,675.58	-	-	1,675.58
1567	J Iverson Riddle Developmental Center - Adult	940.75	-	-	940.75
156A	Longleaf Neuro-Medical Treatment Center - Adult	505.80	-	-	505.80
156B	Black Mountain Neuro-Medical Treatment Center - Adult	464.00	-	-	464.00
156C	O'Berry Neuro-Medical Treatment Center - Adult	812.00	-	-	812.00
156D	Julian F Keith ADATC - Adult	195.88	-	-	195.88
156E	RJ Blackley ADATC - Adult	153.00	-	-	153.00
156F	Walter B Jones ADATC - Adult	156.50	-	-	156.50
1910	Reserves and Transfers	-	13.00	-	13.00
Total FTE		11,201.30	(25.70)	-	11,175.60

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services					
Budget Code 14460		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	202.00	-	-	202.00
1443	Community Services - Riddle Center - FIPP	25.50	-	-	25.50
1543	Whitaker School	71.00	-	-	71.00
1546	Wright School - Child	38.70	(38.70)	-	-
1561	Broughton Hospital - Adult	1,328.50	-	-	1,328.50
1562	Cherry Hospital - Adult	1,350.10	-	-	1,350.10
1563	Central Regional Hospital - Adult	1,858.49	-	-	1,858.49
1565	Caswell Developmental Center - Adult	1,423.50	-	-	1,423.50
1566	Murdoch Developmental Center - Adult	1,675.58	-	-	1,675.58
1567	J Iverson Riddle Developmental Center - Adult	940.75	-	-	940.75
156A	Longleaf Neuro-Medical Treatment Center - Adult	505.80	-	-	505.80
156B	Black Mountain Neuro-Medical Treatment Center - Adult	464.00	-	-	464.00
156C	O'Berry Neuro-Medical Treatment Center - Adult	812.00	-	-	812.00
156D	Julian F Keith ADATC - Adult	195.88	-	-	195.88
156E	RJ Blackley ADATC - Adult	153.00	-	-	153.00
156F	Walter B Jones ADATC - Adult	156.50	-	-	156.50
1910	Reserves and Transfers	-	13.00	-	13.00
Total FTE		**11,201.30**	**(25.70)**	**-**	**11,175.60**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$731,652,688**		**$731,652,688**	

Legislative Changes

(6.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

72	**Compensation Increase Reserve** **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$4,659,925	R	$4,659,925	R
73	**Compensation Increase Reserve - State Agency Teachers/School Based Administrators** **Fund Code:** N/A Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$63,603	R	$159,456	R
74	**State Retirement Contributions** **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$688,411	R	$3,193,460	R
75	**State Health Plan** **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$857,810	R	$1,817,741	R

	FY 17-18		FY 18-19	
76 Single Stream Funding	($36,785,931)	R	($67,713,966)	R
Fund Code: 1422	($32,657,977)	NR	($33,766,655)	NR
Reduces the single stream funding to Local Management Entities/Managed Care Organization's (LME/MCO) and requires services be maintained at the same level as in FY 2014-15 effective July 1, 2017. Funds remaining represent an increase of $83,786,540 in FY 2017-18 and $51,749,827 in FY 2018-19 over the amount that was available in FY 2016-17. The revised net appropriation for single stream services is $310,030,448 in FY 2017-18 and $277,993,735 in FY 2018-19.				
77 Wright School Closure	($2,317,210)	R	($3,089,614)	R
Fund Code: 1546	-38.70		-38.70	
Closes Wright School effective October 1, 2017. The revised net appropriation for fund 1546 is $772,404 in FY 2017-18 and $-0- in FY 2018-19.				
78 Disability Rights Settlement	$6,220,214	R	$6,283,492	R
Fund Code: 1910	$26,914	NR		
	13.00		13.00	
Provides funding for the specialty treatments and assessments required by the DHHS settlement agreement with Disability Rights of North Carolina to build capacity to better serve children with a dual diagnosis of intellectual/developmentally disabled and behavioral health needs. The funding will provide comprehensive assessments and services, to include home health care, rehabilitative and personal care services and the establishment of an outpatient clinic at the Murdoch Center. Nonrecurring funding provides funding for staff related equipment and start up costs. The revised net appropriation for this fund is $6,247,128 in FY 2017-18 and $6,283,492 in FY 2018-19.				
79 Local Inpatient Three-Way Crisis Beds				
Fund Code: 1464	$2,500,000	NR	$2,500,000	NR
Provides nonrecurring funding LME/MCO's to use for three way crisis beds effective July 1, 2017. The revised net appropriation for Fund 1464 is $41,351,644 in both years of the budget biennium.				
80 State Operated Facilities	$5,610,225	R	$5,667,125	R
Fund Code: 1910				
Adjusts receipts to reflect increasing utilization of State supported psychiatric hospitals by indigent clients. Funds are provided for inflationary increases for essential operations of State operated hospitals and patient care support, including utilities, food and drugs. The revised net appropriation for this fund is $26,854,167 in FY 2017-18 and $24,780,306 in FY 2018-19.				

	FY 17-18		FY 18-19	
81 Broughton Hospital **Fund Code:** 1561 Provides nonrecurring funds for legal fees incurred by the Department of Health and Human Services should it engage private counsel in accordance with G.S. 147-17 and G.S. 114-2.3 to provide legal services to the Department in anticipated or pending litigation against private third parties arising from delays in the construction of the new Broughton Hospital. Additionally provides nonrecurring funds for administrative costs and costs related to design changes, continued use of the existing hospital for staff, costs associated with changing technology and construction delays and additional one-time funding to equip the new hospital. The revised net appropriation for this fund is $73,313,783 in each year of the biennium.	$3,500,000	NR	$3,500,000	NR
82 Traumatic Brain Injury Pilot **Fund Code:** 1110 Provides nonrecurring funding intended to increase compliance with internationally approved evidence-based treatment guidelines. The Division of Mental Health, Developmental Disabilities and Substance Abuse Services shall contract with an external party to assist providers in implementing an interactive quality assessment and quality assurance clinical decision support tool. The revised net appropriation for Fund 1110 is $16,878,628 in FY 2017-18 and $17,028,628 in FY 2018-19.	$150,000	NR	$300,000	NR
83 Paramedicine Pilot Program **Fund Code:** 1110 Provides funding for a paramedicine pilot program at New Hanover Hospital on a nonrecurring basis effective July 1, 2017. The revised net appropriation for Fund 1110 is $16,878,628 in FY 2017-18 and $17,028,628 in FY 2018-19.	$250,000	NR	$250,000	NR
84 Mental Health Block Grant **Fund Code:** N/A Budgets Mental Health block grant federal receipts in the amount of $63,715 in each year of the biennium. The revised Mental Health Block Grant federal receipts for the Division are $17.0 million in each year of the biennium.				

	FY 17-18		FY 18-19	
85 Substance Abuse Prevention and Treatment (SAPT) Block Grant **Fund Code:** N/A Reduces SAPT block grant federal receipts in the amount of $1,800,000 in each year of the biennium. The revised SAPT federal receipts for the Division are $43.3 million in each year of the biennium.				
Total Legislative Changes	**($21,002,953)**	**R**	**($49,022,381)**	**R**
	($26,231,063)	**NR**	**($27,216,655)**	**NR**
Total Position Changes	-25.70		-25.70	
Revised Budget	**$684,418,672**		**$655,413,652**	

DHHS - DMH/DD/SAS - Special

Budget Code: 24460

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$20,360,147**	**$20,360,147**
Recommended Budget		
Requirements	**$0**	**$0**
Receipts	**$0**	**$0**
Positions	**0.00**	**0.00**

Legislative Changes

Requirements:

Child Facility-Based Crisis Centers Provides funds to the Department of Health and Human Services, Budget Code 24460, for start up costs(renovation or construction) to establish new child facility-based crisis centers. Funds will be awarded on a competitive basis. The Department shall establish a process for applying for these grants, criteria for evaluating application, and a process for allocating grants.	$0	R	$0	R
	$2,000,000	NR	$0	NR
	0.00		0.00	
Inpatient Behavioral Health Beds Transfers funds to the Department of Health and Human Service, Budget Code 24460, for the purpose of expanding inpatient capacity in rural areas near counties with limited inpatient capacity relative to their needs through constructing new beds or renovating existing beds to form new inpatient psychiatric units. Of the funds transferred up to $1.8 million will be used for inpatient beds at the Dix Crisis Intervention Center in Onslow County. Beds converted or constructed with these funds shall be named in honor of Dorothea Dix.	$0	R	$0	R
	$8,000,000	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$10,000,000	NR	**$0**	NR
	0.00		0.00	

Receipts:

	FY 2017-18		FY 2018-19	
Child Facility-Based Crisis Centers Provides funds to the Department of Health and Human Services, Budget Code 24460, for start up costs(renovation or construction) to establish new child facility-based crisis centers. Funds will be awarded on a competitive basis. The Department shall establish a process for applying for these grants, criteria for evaluating application, and a process for allocating grants.	$0 $2,000,000	R NR	$0 $0	R NR
Inpatient Behavioral Health Beds Transfers funds to the Department of Health and Human Service, Budget Code 24460, for the purpose of expanding inpatient capacity in rural areas near counties with limited inpatient capacity relative to their needs through constructing new beds or renovating existing beds to form new inpatient psychiatric units. Of the funds transferred up to $1.8 million will be used for inpatient beds at the Dix Crisis Intervention Center in Onslow County. Beds converted or constructed with these funds shall be named in honor of Dorothea Dix.	$0 $8,000,000	R NR	$0 $0	R NR
Subtotal Legislative Changes	**$0** **$10,000,000**	R NR	**$0** **$0**	R NR
Revised Total Requirements	**$10,000,000**		**$0**	
Revised Total Receipts	**$10,000,000**		**$0**	
Change in Fund Balance	**$0**		**$0**	
Total Positions	**0.00**		**0.00**	
Unappropriated Balance Remaining	**$20,360,147**		**$20,360,147**	

Vocational Rehabilitation
Budget Code 14480

General Fund Budget

	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$144,601,997	$144,652,560
Receipts	$106,199,843	$106,232,993
Net Appropriation	$38,402,154	$38,419,567
Legislative Changes		
Requirements	$308,869	$513,159
Receipts	$0	$0
Net Appropriation	$308,869	$513,159
Revised Budget		
Requirements	$144,910,866	$145,165,719
Receipts	$106,199,843	$106,232,993
Net Appropriation	$38,711,023	$38,932,726

General Fund FTE

Base Budget	985.25	985.25
Legislative Changes	0.00	0.00
Revised Budget	985.25	985.25

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Vocational Rehabilitation										
Budget Code 14480		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	8,787,302	6,466,222	2,321,080	-	-	-	8,787,302	6,466,222	2,321,080
1261	Access Outreach - VR and IL Client Advocacy and As	372,704	372,704	-	-	-	-	372,704	372,704	-
1263	Outreach - Service Access Grant	299,400	299,400	-	-	-	-	299,400	299,400	-
1452	Adults Home Support - Independent Living - Rehabilita	16,875,372	3,544,805	13,330,567	-	-	-	16,875,372	3,544,805	13,330,567
1470	Assistive Technology Equipment Loan	1,764,765	803,207	961,558	-	-	-	1,764,765	803,207	961,558
1480	Vocational Rehabilitation - Employment Services	115,555,129	93,766,180	21,788,949	-	-	-	115,555,129	93,766,180	21,788,949
1991	Indirect Reserve	947,325	947,325	-	-	-	-	947,325	947,325	-
				-						
Division-wide Items				-						
N/A	Compensation Increase Reserve			-	218,565	N/A	218,565	218,565	N/A	218,565
N/A	State Retirement Contribution			-	40,970	N/A	40,970	40,970	N/A	40,970
N/A	State Health Plan Reserve				49,334	N/A	49,334	49,334	N/A	49,334
Total		$144,601,997	$106,199,843	$38,402,154	$308,869	$0	$308,869	$144,910,866	$106,199,843	$38,711,023

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Vocational Rehabilitation										
Budget Code 14480		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	8,787,302	6,466,222	2,321,080	-	-	-	8,787,302	6,466,222	2,321,080
1261	Access Outreach - VR and IL Client Advocacy and As	372,704	372,704	-	-	-	-	372,704	372,704	-
1263	Outreach - Service Access Grant	299,400	299,400	-	-	-	-	299,400	299,400	-
1452	Adults Home Support - Independent Living - Rehabilita	16,883,030	3,544,805	13,338,225	-	-	-	16,883,030	3,544,805	13,338,225
1470	Assistive Technology Equipment Loan	1,765,548	803,207	962,341	-	-	-	1,765,548	803,207	962,341
1480	Vocational Rehabilitation - Employment Services	115,597,251	93,799,330	21,797,921	-	-	-	115,597,251	93,799,330	21,797,921
1991	Indirect Reserve	947,325	947,325	-	-	-	-	947,325	947,325	-
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	218,565	N/A	218,565	218,565	N/A	218,565
N/A	State Retirement Contribution			-	190,054	N/A	190,054	190,054	N/A	190,054
N/A	State Health Plan Reserve				104,540	N/A	104,540	104,540	N/A	104,540
Total		$144,652,560	$106,232,993	$38,419,567	$513,159	$0	$513,159	$145,165,719	$106,232,993	$38,932,726

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Vocational Rehabilitation					
Budget Code 14480		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	76.76	-	-	76.76
1261	Access Outreach - VR & IL Client Advocacy a& Assistance	4.00	-	-	4.00
1452	Adults Home Support - Ind Living - Rehabilitation	67.00	-	-	67.00
1470	Assistive Technology Equipment Loan	18.00	-	-	18.00
1480	Vocational Rehabilitation - Employment Services	819.50	-	-	819.50
Total FTE		**985.25**	-	-	**985.25**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Vocational Rehabilitation					
Budget Code 14480		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	76.76	-	-	76.76
1261	Access Outreach - VR & IL Client Advocacy a& Assistance	4.00	-	-	4.00
1452	Adults Home Support - Ind Living - Rehabilitation	67.00	-	-	67.00
1470	Assistive Technology Equipment Loan	18.00	-	-	18.00
1480	Vocational Rehabilitation - Employment Services	819.50	-	-	819.50
Total FTE		**985.25**	**-**	**-**	**985.25**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$38,402,154**		**$38,419,567**	
Legislative Changes				
(7.0) Division of Vocational Rehabilitation				
86 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$218,565	R	$218,565	R
87 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$40,970	R	$190,054	R
88 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$49,334	R	$104,540	R
Total Legislative Changes	**$308,869**	R	**$513,159**	R
Total Position Changes				
Revised Budget	**$38,711,023**		**$38,932,726**	

Division of Health Service Regulation
Budget Code 14470

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$68,617,712	$68,617,712
Receipts	$51,171,185	$51,171,185
Net Appropriation	$17,446,527	$17,446,527
Legislative Changes		
Requirements	$1,245,485	$2,095,462
Receipts	$253,913	$489,545
Net Appropriation	$991,572	$1,605,917
Revised Budget		
Requirements	$69,863,197	$70,713,174
Receipts	$51,425,098	$51,660,730
Net Appropriation	$18,438,099	$19,052,444

General Fund FTE		
Base Budget	569.50	569.50
Legislative Changes	7.00	14.00
Revised Budget	576.50	583.50

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Division of Health Service Regulation										
Budget Code 14470		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	4,748,736	3,242,504	1,506,232	-	-	-	4,748,736	3,242,504	1,506,232
1151	Acute and Home Care Licensure and Certification	4,303,649	4,062,437	241,212	309,636	116,184	193,452	4,613,285	4,178,621	434,664
1152	Nursing Home and Adult Care Licensure and Certification	17,139,631	12,152,169	4,987,462	326,837	137,729	189,108	17,466,468	12,289,898	5,176,570
1153	Construction	6,477,729	4,897,348	1,580,381	-	-	-	6,477,729	4,897,348	1,580,381
1154	Health Care Personnel Registry	4,703,698	3,659,028	1,044,670	-	-	-	4,703,698	3,659,028	1,044,670
1155	Jails and Detention Centers Inspections	167,716		167,716	-	-	-	167,716	-	167,716
1156	Regulatory - Mental Health Licensure and Certification	6,772,684	4,567,207	2,205,477	-	-	-	6,772,684	4,567,207	2,205,477
1157	Radiation Protection	4,966,581	4,966,581	-	-	-	-	4,966,581	4,966,581	-
1161	Preparedness - Statewide Health Planning	2,495,405	2,616	2,492,789	-	-	-	2,495,405	2,616	2,492,789
1162	Preparedness - Hospital Preparedness	11,685,319	11,685,319	-	-	-	-	11,685,319	11,685,319	-
1163	Preparedness - Local Emergency Medical Services	3,885,360	664,772	3,220,588	210,000	-	210,000	4,095,360	664,772	3,430,588
1991	Indirect Reserve	1,271,204	1,271,204	-	-	-	-	1,271,204	1,271,204	-
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	292,990	N/A	292,990	292,990	N/A	292,990
N/A	State Retirement Contribution			-	54,930	N/A	54,930	54,930	N/A	54,930
N/A	State Health Plan Reserve	-	-	-	51,092	N/A	51,092	51,092	N/A	51,092
Total		$68,617,712	$51,171,185	$17,446,527	$1,245,485	$253,913	$991,572	$69,863,197	$51,425,098	$18,438,099

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Health Service Regulation										
Budget Code 14470		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	4,748,736	3,242,504	1,506,232	-	-	-	4,748,736	3,242,504	1,506,232
1151	Acute and Home Care Licensure and Certification	4,303,649	4,062,437	241,212	610,522	232,367	378,155	4,914,171	4,294,804	619,367
1152	Nursing Home and Adult Care Licensure and Certification	17,139,631	12,152,169	4,987,462	618,870	257,178	361,692	17,758,501	12,409,347	5,349,154
1153	Construction	6,477,729	4,897,348	1,580,381	-	-	-	6,477,729	4,897,348	1,580,381
1154	Health Care Personnel Registry	4,703,698	3,659,028	1,044,670	-	-	-	4,703,698	3,659,028	1,044,670
1155	Jails and Detention Centers Inspections	167,716		167,716	-	-	-	167,716	-	167,716
1156	Regulatory - Mental Health Licensure and Certification	6,772,684	4,567,207	2,205,477	-	-	-	6,772,684	4,567,207	2,205,477
1157	Radiation Protection	4,966,581	4,966,581	-	-	-	-	4,966,581	4,966,581	-
1161	Preparedness - Statewide Health Planning	2,495,405	2,616	2,492,789	-	-	-	2,495,405	2,616	2,492,789
1162	Preparedness - Hospital Preparedness	11,685,319	11,685,319	-	-	-	-	11,685,319	11,685,319	-
1163	Preparedness - Local Emergency Medical Services	3,885,360	664,772	3,220,588	210,000	-	210,000	4,095,360	664,772	3,430,588
1991	Indirect Reserve	1,271,204	1,271,204	-	-	-	-	1,271,204	1,271,204	-
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	292,990	N/A	292,990	292,990	N/A	292,990
N/A	State Retirement Contribution			-	254,814	N/A	254,814	254,814	N/A	254,814
N/A	State Health Plan Reserve	-	-	-	108,266	N/A	108,266	108,266	N/A	108,266
Total		$68,617,712	$51,171,185	$17,446,527	$2,095,462	$489,545	$1,605,917	$70,713,174	$51,660,730	$19,052,444

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Health Service Regulation					
Budget Code 14470		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	26.00	-	-	26.00
1151	Acute and Home Care Licensure and Certification	47.00	3.00	-	50.00
1152	Certification	199.00	4.00	-	203.00
1153	Construction	55.00	-	-	55.00
1154	Health Care Personnel Registry	50.00	-	-	50.00
1155	Jails and Detention Centers Inspections	2.00	-	-	2.00
1156	Certification	76.00	-	-	76.00
1157	Radiation Protection	48.50	-	-	48.50
1161	Preparedness - Statewide Health Planning	23.00	-	-	23.00
1162	Preparedness - Hospital Preparedness	11.00	-	-	11.00
1163	Preparedness - Local Emergency Medical Services	32.00	-	-	32.00
Total FTE		**569.50**	**7.00**	**-**	**576.50**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Health Service Regulation					
Budget Code 14470		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	26.00	-	-	26.00
1151	Acute and Home Care Licensure and Certification	47.00	7.00	-	54.00
1152	Certification	199.00	7.00	-	206.00
1153	Construction	55.00	-	-	55.00
1154	Health Care Personnel Registry	50.00	-	-	50.00
1155	Jails and Detention Centers Inspections	2.00	-	-	2.00
1156	Certification	76.00	-	-	76.00
1157	Radiation Protection	48.50	-	-	48.50
1161	Preparedness - Statewide Health Planning	23.00	-	-	23.00
1162	Preparedness - Hospital Preparedness	11.00	-	-	11.00
1163	Preparedness - Local Emergency Medical Services	32.00	-	-	32.00
Total FTE		569.50	14.00	-	583.50

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$17,446,527**		**$17,446,527**	
Legislative Changes				
(8.0) Division of Health Service Regulation				
89 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$292,990	R	$292,990	R
90 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$54,930	R	$254,814	R
91 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$51,092	R	$108,266	R

	FY 17-18		FY 18-19	
92 Adult and Acute Care Inspections	$372,380	R	$729,667	R
Fund Code: 1151, 1152	$10,180	NR	$10,180	NR
	7.00		14.00	

Provides funding to increase staff in the Acute and Home Care Section and the Adult Care Section to improve timeliness of inspections of various facilities, including hospitals, hospices, home care agencies, Ambulatory Surgical Centers, End Stage Renal Disease facilities and adult and family care homes. The additional positions will assist in meeting the Center for Medicare and Medicaid Services requirements for inspecting certain facilities. The revised net appropriation for Fund 1151, Acute and Home Care Licensure and Certification, is $434,664 in FY 2017-18 and $619,367 in FY 2018-19 and for Fund 1152, Nursing Home and Adult Care Licensure and Certification is $5.2 million in FY 2017-18 and $5.3 million in FY 2018-19.

The following positions are established:

FY 2017-18
Fund 1151
1 Nurse Consultant J $70,000
1 Nurse Consultant C $60,000
1 Processing Assistant IV $33,619

Fund 1152
1 Facility Survey Consultant I $56,000
1 Nurse Consultant J $64,000
1 Nurse Consultant C $60,000
1 Facility Branch Manager $72,000

FY 2018-19

Fund 1151
4 Nurse Consultant C $60,000

Fund 1152
1 Facility Survey Consultant I $56,000
2 Nurse Consultant C $60,000

93 Community Paramedicine Pilot Project				
Fund Code: 1163	$210,000	NR	$210,000	NR

Provides funds to continue the New Hanover Regional Medical Center EMS pilot to expand the role of paramedics to allow them to divert persons to community-based initiatives designed to avoid nonemergency use of hospital emergency departments. The revised net appropriation for the Community Paramedicine Pilot Project is $210,000 in each year of the biennium.

Senate Appropriations Committee on Health and Human Services	FY 17-18		FY 18-19	
Total Legislative Changes	$771,392	R	$1,385,737	R
	$220,180	NR	$220,180	NR
Total Position Changes	7.00		14.00	
Revised Budget	$18,438,099		$19,052,444	

Division of Medical Assistance
Budget Code 14445

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$14,253,706,179	$14,253,706,349
Receipts	$10,568,910,124	$10,568,910,209
Net Appropriation	$3,684,796,055	$3,608,311,371
Legislative Changes		
Requirements	$43,181,231	$387,116,739
Receipts	$39,964,589	$269,054,138
Net Appropriation	$3,216,642	$118,062,601
Revised Budget		
Requirements	$14,296,887,410	$14,640,823,088
Receipts	$10,608,874,713	$10,837,964,347
Net Appropriation	$3,688,012,697	$3,802,858,741

General Fund FTE		
Base Budget	416.51	416.51
Legislative Changes	0.00	0.00
Revised Budget	416.51	416.51

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Division of Medical Assistance										
Budget Code 14445		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Medical Assistance Administration	41,789,996	24,202,829	17,587,167	-	-	-	41,789,996	24,202,829	17,587,167
1102	Contracts and Agreements	146,950,173	109,403,441	37,546,732	6,208,404	4,656,303	1,552,101	153,158,577	114,059,744	39,098,833
1103	Health Information Technology	55,235,572	54,704,435	531,137	-	-	-	55,235,572	54,704,435	531,137
1310	Medical Assistance Payments	12,272,598,208	8,159,249,303	4,113,348,905	350,794,619	362,820,424	(12,025,805)	12,623,392,827	8,522,069,727	4,101,323,100
1311	Community Care North Carolina	208,672,077	141,360,178	67,311,899	(191,187)	3,322,252	(3,513,439)	208,480,890	144,682,430	63,798,460
1320	Medical Assistance Cost Settlements	348,061,840	337,059,826	11,002,014	(60,298,642)	(73,204,780)	12,906,138	287,763,198	263,855,046	23,908,152
1330	Payment Adjustments	(97,495,734)	(71,133,698)	(26,362,036)	13,355,774	15,419,818	(2,064,044)	(84,139,960)	(55,713,880)	(28,426,080)
1331	Rebates	(1,188,015,970)	(797,092,021)	(390,923,949)	(46,470,819)	(43,064,052)	(3,406,767)	(1,234,486,789)	(840,156,073)	(394,330,716)
1337	Consolidated Supplemental Hospital Payments	2,465,910,017	2,611,155,831	(145,245,814)	(159,087,280)	(188,579,174)	29,491,894	2,306,822,737	2,422,576,657	(115,753,920)
1910	Reserves and Transfers	-	-	-	(61,406,202)	(41,406,202)	(20,000,000)	(61,406,202)	(41,406,202)	(20,000,000)
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	202,899		202,899	202,899		202,899
N/A	State Retirement Contribution			-	38,012		38,012	38,012		38,012
N/A	State Health Plan Reserve			-	35,653		35,653	35,653	-	35,653
Total		$14,253,706,179	$10,568,910,124	$3,684,796,055	$43,181,231	$39,964,589	$3,216,642	$14,296,887,410	$10,608,874,713	$3,688,012,697

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Medical Assistance										
Budget Code 14445		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Medical Assistance Administration	41,790,166	24,202,914	26,331,943	-	-	-	41,790,166	24,202,914	17,587,252
1102	Contracts and Agreements	146,950,173	109,403,441	36,871,078	8,945,366	6,709,025	2,236,341	155,895,539	116,112,466	39,783,073
1103	Health Information Technology	55,235,572	54,704,435	538,084	-	-	-	55,235,572	54,704,435	531,137
1310	Medical Assistance Payments	12,272,598,208	8,159,249,303	4,024,903,541	788,375,270	662,913,371	125,461,899	13,060,973,478	8,822,162,674	4,238,810,804
1311	Community Care North Carolina	208,672,077	141,360,178	70,564,885	5,524,073	7,673,653	(2,149,580)	214,196,150	149,033,831	65,162,319
1320	Medical Assistance Cost Settlements	348,061,840	337,059,826	11,002,014	(48,738,476)	(60,757,710)	12,019,234	299,323,364	276,302,116	23,021,248
1330	Payment Adjustments	(97,495,734)	(71,133,698)	(26,362,036)	13,355,774	14,971,238	(1,615,464)	(84,139,960)	(56,162,460)	(27,977,500)
1331	Rebates	(1,188,015,970)	(797,092,021)	(389,861,142)	(122,106,778)	(93,168,032)	(28,938,746)	(1,310,122,748)	(890,260,053)	(419,862,695)
1337	Consolidated Supplemental Hospital Payments	2,465,910,017	2,611,155,831	(145,676,996)	(197,287,073)	(227,881,205)	30,594,132	2,268,622,944	2,383,274,626	(114,651,682)
1910	Reserves and Transfers	-	-	-	(61,406,202)	(41,406,202)	(20,000,000)	(61,406,202)	(41,406,202)	(20,000,000)
Undesignated Items										
N/A	Compensation Increase Reserve		N/A		202,899	N/A	202,899	202,899	N/A	202,899
N/A	State Retirement Contribution		N/A		176,335	N/A	176,335	176,335	N/A	176,335
N/A	State Health Plan Reserve			-	75,551	N/A	75,551	75,551	N/A	75,551
Total		$14,253,706,349	$10,568,910,209	$3,608,311,371	$387,116,739	$269,054,138	$118,062,601	$14,640,823,088	$10,837,964,347	$3,802,858,741

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Medical Assistance					
Budget Code 14445		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Medical Assistance Administration	404.51	-	-	404.51
1103	Health Information Technology	12.00	-	-	12.00
Total FTE		416.51	-	-	416.51

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Medical Assistance					
Budget Code 14445		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Medical Assistance Administration	404.51	-	-	404.51
1103	Health Information Technology	12.00	-	-	12.00
Total FTE		**416.51**	**-**	**-**	**416.51**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$3,684,796,055**		**$3,684,796,140**	
Legislative Changes				
(9.0) Division of Medical Assistance				
94 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$202,899	R	$202,899	R
95 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$38,012	R	$176,335	R
96 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$35,653	R	$75,551	R
97 Medicaid Rebase **Fund Code:** 1310, 1311, 1320, 1330, 1331, 1337 Provides funding for changes in utilization, enrollment, enrollment mix and prices in the Medicaid base budget. The revised net appropriation for the Division of Medical Assistance from all actions in this report is $3,687,736,133 in FY 2017-18 and $3,802,403,956 in FY 2018-19.	$66,152,086 ($62,390,752)	R NR	$174,982,753 ($62,390,752)	R NR

		FY 17-18		FY 18-19	
98	**LME/MCO Intergovernmental Transfer** **Fund Code:** 1310 Adjusts the budget to reflect LME/MCO intergovernmental transfers on a recurring basis in each year of the biennium to fund a portion of the State's Medicaid spending for behavioral health services. The revised net appropriation for the Division of Medical Assistance Fund 1310 from all actions in this report is $4,101,323,100 in FY 2017-18 and $4,238,810,804 in FY 2018-19.	($17,736,485)	R	($18,028,217)	R
99	**Developmental Disability Innovation Waiver Slots** **Fund Code:** 1310 Provides 250 additional Developmental Disability Innovations Waiver slots effective January 1, 2018. The revised net appropriation for the Division of Medical Assistance Fund 1310 from all actions in this report is $4,101,323,100 in FY 2017-18 and $4,238,810,804 in FY 2018-19.	$2,583,360	R	$5,166,720	R
100	**NC TRACKS Changes and Enhancements** **Fund Code:** 1102 Provides funding for programming the NC TRACKS claims payment system to support critical rate changes, prior approval contracts, improved claims processing and related changes. The revised net appropriation for the Division of Medical Assistance Fund 1102 is $39,098,833 in FY 2017-18 and $39,783,073 in FY 2018-19.	$1,552,101	NR	$2,236,341	NR
101	**Personal Care Services Rate** **Fund Code:** 1310 Increases personal care services rate to an effective hourly rate of $15.76 from an effective rate of $15.52 per hour for services occurring after December 31, 2017. The revised net appropriation for the Division of Medical Assistance Fund 1310 from all actions in this report is $4,101,323,100 in FY 2017-18 and $4,238,810,804 in FY 2018-19.	$2,650,768	R	$5,511,971	R

Senate Appropriations Committee on Health and Human Services	FY 17-18		FY 18-19	
102 Child Medical Evaluation Program **Fund Code:** 1310 Increases funding for the Child Medical Evaluation Program (CMEP) in the Division of Medical Assistance to increase the rate paid for medical consultations for children who are Medicaid eligible to the regional average of $575. The program pays for medical evaluations for children who may have been subjected to physical and sexual abuse. Funding is also provided in the Division of Social Services budget. The revised net appropriation for the Division of Medical Assistance Fund 1310 from all actions in this report is $4,101,323,100 in FY 2017-18 and $4,238,810,804 in FY 2018-19.	$129,000	R	$129,000	R
103 Graduate Medical Education **Fund Code:** 1310 Reinstates funding to maintain the graduate medical education add on to the inpatient hospital DRG payment effective July 1, 2017. The revised net appropriation for the Division of Medical Assistance Fund 1310 from all actions in this report is $4,101,323,100 in FY 2017-18 and $4,238,810,804 in FY 2018-19.	$30,000,000	R	$30,000,000	R
104 Management Flexibility Reduction **Fund Code:** 1910 Directs the Department to identify reductions that may include changes in contract, rates, reimbursement methodologies, clinical policies or services to reduce spending by $20 million on a recurring basis. The revised net appropriation for the Division of Medical Assistance Fund 1910 from all actions in this report is ($20,000,000) in FY 2017-18 and ($20,000,000) in FY 2018-19.	($20,000,000)	R	($20,000,000)	R
Total Legislative Changes	**$64,055,293**	R	**$178,217,012**	R
	($60,838,651)	NR	**($60,154,411)**	NR
Total Position Changes				
Revised Budget	**$3,688,012,697**		**$3,802,858,741**	

NC Health Choice
Budget Code 14446

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$184,098,555	$184,098,555
Receipts	$140,651,619	$140,651,619
Net Appropriation	$43,446,936	$43,446,936
Legislative Changes		
Requirements	$797	$1,313
Receipts	$42,988,656	$43,052,011
Net Appropriation	($42,987,859)	($43,050,698)
Revised Budget		
Requirements	$184,099,352	$184,099,868
Receipts	$183,640,275	$183,703,630
Net Appropriation	$459,077	$396,238

General Fund FTE		
Base Budget	2.00	2.00
Legislative Changes	0.00	0.00
Revised Budget	2.00	2.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

NC Health Choice											
Budget Code 14446		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1101	Health Choice Administration	172,504	171,264	1,240	-	-	-	172,504	171,264	1,240	
1102	Contracts and Agreements	1,880,000	1,868,156	11,844	-	-	-	1,880,000	1,868,156	11,844	
1310	Health Choice Payments	177,621,855	135,837,457	41,784,398	-	41,145,574	(41,145,574)	177,621,855	176,983,031	638,824	
1311	Community Care North Carolina	8,034,131	6,159,812	1,874,319	-	1,843,082	(1,843,082)	8,034,131	8,002,894	31,237	
1320	Settlements	(2,790,285)	(2,790,285)	-	-	-	-	(2,790,285)	(2,790,285)	-	
1330	Payment Adjustments	(417,348)	(298,060)	(119,288)	-	-	-	(417,348)	(298,060)	(119,288)	
1331	Rebates	(402,302)	(296,725)	(105,577)	-	-	-	(402,302)	(296,725)	(105,577)	
				-							
Undesignated Items				-							
N/A	Compensation Increase Reserve			-	583	N/A	583	583	N/A	583	
N/A	State Retirement Contribution			-	109	N/A	109	109	N/A	109	
N/A	State Health Plan Reserve	-	-	-	105	N/A	105	105	N/A	105	
Total		$184,098,555	$140,651,619	$43,446,936	$797	$42,988,656	($42,987,859)	$184,099,352	$183,640,275	$459,077	

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

NC Health Choice										
Budget Code 14446		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Health Choice Administration	172,504	171,264	1,240	-	-	-	172,504	171,264	1,240
1102	Contracts and Agreements	1,880,000	1,868,156	11,844	-	-	-	1,880,000	1,868,156	11,844
1310	Health Choice Payments	177,621,855	135,837,457	41,784,398	-	41,206,213	(41,206,213)	177,621,855	177,043,670	578,185
1311	Community Care North Carolina	8,034,131	6,159,812	1,874,319	-	1,845,798	(1,845,798)	8,034,131	8,005,610	28,521
1320	Settlements	(2,790,285)	(2,790,285)	-				(2,790,285)	(2,790,285)	-
1330	Payment Adjustments	(417,348)	(298,060)	(119,288)	-	-	-	(417,348)	(298,060)	(119,288)
1331	Rebates	(402,302)	(296,725)	(105,577)	-	-	-	(402,302)	(296,725)	(105,577)
			-	-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	583	N/A	583	583	N/A	583
N/A	State Retirement Contribution			-	507	N/A	507	507	N/A	507
N/A	State Health Plan Reserve			-	223	N/A	223	223	N/A	223
Total		$184,098,555	$140,651,619	$43,446,936	$1,313	$43,052,011	($43,050,698)	$184,099,868	$183,703,630	$396,238

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

NC Health Choice					
Budget Code 14446		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Health Choice Administration	2.00	-	-	2.00
Total FTE		**2.00**	**-**	**-**	**2.00**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

NC Health Choice					
Budget Code 14446		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Health Choice Administration	2.00	-	-	2.00
Total FTE		2.00	-	-	2.00

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$43,446,936**		**$43,446,936**	

Legislative Changes

(10.0) NC Health Choice

105 Compensation Increase Reserve $583 R $583 R
Fund Code: N/A

Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.

106 State Retirement Contributions $109 R $507 R
Fund Code: N/A

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.

107 State Health Plan $105 R $223 R
Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.

108 NC Health Choice Match Rate
Fund Code: 1310, 1311 ($42,988,656) NR ($43,052,011) NR

Reduces net general fund support for NC Health Choice due to an enhanced federal match rate included in the federal Affordable Care Act that is effective through September 30, 2019. The revised net appropriation for NC Health Choice services is $458,280 in FY 2017-18 and $394,925 in FY 2018-19.

Senate Appropriations Committee on Health and Human Services	FY 17-18		FY 18-19	
Total Legislative Changes	$797	R	$1,313	R
	($42,988,656)	NR	($43,052,011)	NR
Total Position Changes				
Revised Budget	**$459,077**		**$396,238**	

Services for the Blind/Deaf/Hard of Hearing
Budget Code 14450

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$44,560,621	$44,560,621
Receipts	$36,227,168	$36,227,168
Net Appropriation	$8,333,453	$8,173,207
Legislative Changes		
Requirements	$85,379	$145,219
Receipts	$0	$0
Net Appropriation	$85,379	$145,219
Revised Budget		
Requirements	$44,646,000	$44,705,840
Receipts	$36,227,168	$36,227,168
Net Appropriation	$8,418,832	$8,478,672

General Fund FTE		
Base Budget	312.84	312.84
Legislative Changes	0.00	0.00
Revised Budget	312.84	312.84

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Services for the Blind/Deaf/Hard of Hearing										
Budget Code 14450		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,308,819	1,815,355	493,464	-	-	-	2,308,819	1,815,355	493,464
1261	Access and Outreach Deaf Community - Local Agency	3,061,463	3,061,463	-	-	-	-	3,061,463	3,061,463	-
1410	Deaf and Hard of Hearing - Client Services	11,987,092	11,987,092	-	-	-	-	11,987,092	11,987,092	-
1420	Medical Eye Care Services	2,567,215		2,567,215	-	-	-	2,567,215	-	2,567,215
1451	Independent Living Services - Chore and Adjustment S	5,762,160	4,393,831	1,368,329	-	-	-	5,762,160	4,393,831	1,368,329
1452	Independent Living Rehabilitation Services	1,604,014	927,009	677,005	-	-	-	1,604,014	927,009	677,005
1481	Vocational Rehabilitation - Employment	16,125,417	12,897,977	3,227,440	-	-	-	16,125,417	12,897,977	3,227,440
1482	Small Business Employment Services	898,265	898,265	-	-	-	-	898,265	898,265	-
1991	Federal Indirect Reserve	246,176	246,176	-	-	-	-	246,176	246,176	-
				-						
Undesignated Items										
N/A	Compensation Increase Reserve			-	62,395	N/A	62,395	62,395	N/A	62,395
N/A	State Retirement Contribution			-	10,807	N/A	10,807	10,807	N/A	10,807
N/A	State Health Plan Reserve	-	-	-	12,177	N/A	12,177	12,177	N/A	12,177
Total		$44,560,621	$36,227,168	$8,333,453	$85,379	$0	$85,379	$44,646,000	$36,227,168	$8,418,832

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Services for the Blind/Deaf/Hard of Hearing										
Budget Code 14450		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,308,819	1,815,355	492,232	-	-	-	2,308,819	1,815,355	493,464
1261	Access and Outreach Deaf Community - Local Agency	3,061,463	3,061,463	-	-	-	-	3,061,463	3,061,463	-
1410	Deaf and Hard of Hearing - Client Services	11,987,092	11,987,092	-	-	-	-	11,987,092	11,987,092	-
1420	Medical Eye Care Services	2,567,215	-	2,525,184	-	-	-	2,567,215	-	2,567,215
1451	Independent Living Services - Chore and Adjustment S	5,762,160	4,393,831	1,325,605	-	-	-	5,762,160	4,393,831	1,368,329
1452	Independent Living Rehabilitation Services	1,604,014	927,009	639,300	-	-	-	1,604,014	927,009	677,005
1481	Vocational Rehabilitation - Employment	16,125,417	12,897,977	3,190,586	-	-	-	16,125,417	12,897,977	3,227,440
1482	Small Business Employment Services	898,265	898,265	300	-	-	-	898,265	898,265	-
1991	Federal Indirect Reserve	246,176	246,176	-	-	-	-	246,176	246,176	-
Undesignated Items										
N/A	Compensation Increase Reserve		N/A		69,284	N/A	69,284	69,284	N/A	69,284
N/A	State Retirement Contribution		N/A		50,131	N/A	50,131	50,131	N/A	50,131
N/A	State Health Plan Reserve	-	-	-	25,804	N/A	25,804	25,804	N/A	25,804
Total		$44,560,621	$36,227,168	$8,173,207	$145,219	$0	$145,219	$44,705,840	$36,227,168	$8,478,672

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Services for the Blind/Deaf/Hard of Hearing					
Budget Code 14450		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	20.00	-	-	20.00
1160	Deaf and Hard of Hearing - State Capacity Building	5.75	-	-	5.75
1261	Access and Outreach Deaf Community - Local Agenc	10.00	-	-	10.00
1262	Access and Outreach Deaf Community - Citizens	9.00	-	-	9.00
1410	Deaf and Hard of Hearing - Client Services	17.00	-	-	17.00
1420	Medical Eye Care Services	7.00	-	-	7.00
1451	Independent Living Services - Chore and Adjustment	72.58	-	-	72.58
1452	Independent Living Rehabilitation Services	14.00	-	-	14.00
1481	Vocational Rehabilitation - Employment	145.51	-	-	145.51
1482	Small Business Employment Services	12.00	-	-	12.00
Total FTE		**312.84**	-	-	**312.84**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Services for the Blind/Deaf/Hard of Hearing					
Budget Code 14450		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	20.00	-	-	20.00
1160	Deaf and Hard of Hearing - State Capacity Building	5.75	-	-	5.75
1261	Access and Outreach Deaf Community - Local Agenc	10.00	-	-	10.00
1262	Access and Outreach Deaf Community - Citizens	9.00	-	-	9.00
1410	Deaf and Hard of Hearing - Client Services	17.00	-	-	17.00
1420	Medical Eye Care Services	7.00	-	-	7.00
1451	Independent Living Services - Chore and Adjustment	72.58	-	-	72.58
1452	Independent Living Rehabilitation Services	14.00	-	-	14.00
1481	Vocational Rehabilitation - Employment	145.51	-	-	145.51
1482	Small Business Employment Services	12.00	-	-	12.00
Total FTE		**312.84**	-	-	**312.84**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$8,333,453**		**$8,333,453**	
Legislative Changes				
(11.0) Division of Services for the Blind and Services for the Deaf and Hard of Hearing				
109 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$57,642	R	$57,642	R
110 Compensation Increase Reserve - State Agency Teachers/School Based Administrators **Fund Code:** N/A Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$4,753	R	$11,642	R
111 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$10,807	R	$50,131	R
112 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$12,177	R	$25,804	R

Senate Appropriations Committee on Health and Human Services	FY 17-18		FY 18-19	
Total Legislative Changes	$85,379	R	$145,219	R
Total Position Changes				
Revised Budget	$8,418,832		$8,478,672	

Division of Health Benefits
Budget Code 14447

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$9,671,582	$9,671,582
Receipts	$0	$0
Net Appropriation	$9,671,582	$9,671,582
Legislative Changes		
Requirements	$71,080	$115,118
Receipts	$0	$0
Net Appropriation	$71,080	$115,118
Revised Budget		
Requirements	$9,742,662	$9,786,700
Receipts	$0	$0
Net Appropriation	$9,742,662	$9,786,700

General Fund FTE		
Base Budget	28.00	28.00
Legislative Changes	0.00	0.00
Revised Budget	28.00	28.00

Summary of Gen[redacted]l Appropriations
Fiscal [redacted]17-18
2017 Legislative Session

Division of Health Benefits
Budget Code 14447

Fund Code	Fund Name	Base Budget Requirements	Base Budget Receipts	Base Budget Net Appropriation	Legislative Changes Requirements	Legislative Changes Receipts	Legislative Changes Net Appropriation	Revised Budget Requirements	Revised Budget Receipts	Revised Budget Net Appropriation
1101	Administration	9,671,582		9,671,582	-	-	-	9,671,582	-	9,671,582
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve			-	54,906	N/A	54,906	54,906	N/A	54,906
N/A	State Retirement Contribution			-	10,294	N/A	10,294	10,294	N/A	10,294
N/A	State Health Plan Reserve	-	-	-	5,880	N/A	5,880	5,880	N/A	5,880
Total		**$9,671,582**	**$0**	**$9,671,582**	**$71,080**	**$0**	**$71,080**	**$9,742,662**	**$0**	**$9,742,662**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Division of Health Benefits
Budget Code 14447

Fund Code	Fund Name	Base Budget Requirements	Base Budget Receipts	Base Budget Net Appropriation	Legislative Changes Requirements	Legislative Changes Receipts	Legislative Changes Net Appropriation	Revised Budget Requirements	Revised Budget Receipts	Revised Budget Net Appropriation
1101	Health Choice Administration	9,671,582		9,671,582	-	-	-	9,671,582	-	9,671,582
Undesignated Items										
N/A	Compensation Increase Reserve				54,906	N/A	54,906	54,906	N/A	54,906
N/A	State Retirement Contribution				47,752	N/A	47,752	47,752	N/A	47,752
N/A	State Health Plan Reserve	-	-	-	12,460	N/A	12,460	12,460	N/A	12,460
Total		**$9,671,582**	**$0**	**$9,671,582**	**$115,118**	**$0**	**$115,118**	**$9,786,700**	**$0**	**$9,786,700**

Summary of General Fund Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Division of Health Benefits

Budget Code 14447	Base	Legislative Changes		Revised
Fund Code Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101 Health Choice Administration	28.00	-	-	28.00
Total FTE	**28.00**	**-**	**-**	**28.00**

Summary of General Fund Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Division of Health Benefits

Budget Code 14447	Base	Legislative Changes		Revised
Fund Code Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101 Health Choice Administration	28.00	-	-	28.00
Total FTE	**28.00**	**-**	**-**	**28.00**

Health and Human Services

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$9,671,582**		**$9,671,582**	
Legislative Changes				
Health Benefits				
113 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$54,906	R	$54,906	R
114 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$10,294	R	$47,752	R
115 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$5,880	R	$12,460	R
Total Legislative Changes	**$71,080**	R	**$115,118**	R
Total Position Changes				
Revised Budget	**$9,742,662**		**$9,786,700**	

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Agriculture and Natural and Economic Resources
Section H

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Department of Agriculture and Consumer Services
Budget Code 13700

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$174,507,551	$174,509,551
Receipts	$55,537,775	$55,537,775
Net Appropriation	$118,969,776	$118,971,776
Legislative Changes		
Requirements	$8,513,399	$6,140,101
Receipts	$0	$0
Net Appropriation	$8,513,399	$6,140,101
Revised Budget		
Requirements	$183,020,950	$180,649,652
Receipts	$55,537,775	$55,537,775
Net Appropriation	$127,483,175	$125,111,877

General Fund FTE		
Base Budget	1,811.62	1,811.62
Legislative Changes	(7.00)	(7.00)
Revised Budget	1,804.62	1,804.62

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Agriculture and Consumer Services Budget Code 13700		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1011	General Administration	2,067,777	206,044	1,861,733	-	-	-	2,067,777	206,044	1,861,733
1012	Administrative Services	2,317,408	846,103	1,471,305	-	-	-	2,317,408	846,103	1,471,305
1013	Public Affairs	468,763	-	468,763	-	-	-	468,763	-	468,763
1014	Human Resources	1,705,350	266,260	1,439,090	-	-	-	1,705,350	266,260	1,439,090
1017	Emergency Programs Division	1,901,180	337,776	1,563,404	-	-	-	1,901,180	337,776	1,563,404
1018	Internal Audit	283,564	85,732	197,832	-	-	-	283,564	85,732	197,832
1019	IT Services	2,169,414	301,539	1,867,875	-	-	-	2,169,414	301,539	1,867,875
1020	Markets	10,486,014	2,127,659	8,358,355	750,000	-	750,000	11,236,014	2,127,659	9,108,355
1027	Property and Construction	724,287	198,399	525,888	-	-	-	724,287	198,399	525,888
1035	Small Farms	284,450	46,789	237,661	(237,661)	-	(237,661)	46,789	46,789	-
1040	Agronomic Services	4,624,791	1,285,070	3,339,721	-	-	-	4,624,791	1,285,070	3,339,721
1050	Federal - State Agricultural Statistics	1,083,404	177,149	906,255	-	-	-	1,083,404	177,149	906,255
1070	Commercial Feed and Pet Food	1,739,966	1,424,092	315,874	-	-	-	1,739,966	1,424,092	315,874
1080	Commercial Fertilizer Analysis	568,813	-	568,813	(65,169)	-	(65,169)	503,644	-	503,644
1090	Pesticide Control and Analysis	3,837,884	3,744,539	93,345	-	-	-	3,837,884	3,744,539	93,345
1100	Food, Drug, and Cosmetic Analysis	11,131,934	3,328,892	7,803,042	75,000	-	75,000	11,206,934	3,328,892	7,878,042
1120	Structural Pest	1,212,229	688,462	523,767	-	-	-	1,212,229	688,462	523,767
1130	Veterinary Services	13,023,012	2,571,182	10,451,830	12,056	-	12,056	13,035,068	2,571,182	10,463,886
1140	Meat and Poultry Inspection	8,331,783	4,184,769	4,147,014	-	-	-	8,331,783	4,184,769	4,147,014
1150	Weights and Measures Inspection	1,293,230	367,000	926,230	-	-	-	1,293,230	367,000	926,230
1160	Gasoline and Oil Inspection	5,478,971	5,478,971	-	-	-	-	5,478,971	5,478,971	-
1175	Seed and Fertilizer	1,508,972	807,024	701,948	-	-	-	1,508,972	807,024	701,948
1180	Plant Protection	5,651,208	2,298,581	3,352,627	-	-	-	5,651,208	2,298,581	3,352,627
1190	Research Stations - Operating	14,602,836	2,743,116	11,859,720	400,000	-	400,000	15,002,836	2,743,116	12,259,720
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-	-	-	-	-	-
1210	Distribution of USDA Donations	6,287,393	3,918,932	2,368,461	-	-	-	6,287,393	3,918,932	2,368,461
1510	NC Forest Service	46,835,654	10,744,639	36,091,015	2,184,914	-	2,184,914	49,020,568	10,744,639	38,275,929
1530	NC Forest Service - Dare Bomb Range	1,409,455	1,409,455	-	-	-	-	1,409,455	1,409,455	-
1535	NC Forest Service - Young Offenders Program	1,170,094	200	1,169,894	-	-	-	1,170,094	200	1,169,894
1610	NC Forest Service - Federal Grants	2,607,183	2,607,183	-	-	-	-	2,607,183	2,607,183	-
1611	Soil and Water Conservation	13,708,901	2,035,091	11,673,810	250,000	-	250,000	13,958,901	2,035,091	11,923,810
1990	Reserves and Transfers	4,684,504	-	4,684,504	3,163,335	-	3,163,335	7,847,839	-	7,847,839
1991	Indirect Cost - Reserve	1,307,127	1,307,127	-	-	-	-	1,307,127	1,307,127	-
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	1,477,098	-	1,477,098	1,477,098	-	1,477,098
N/A	State Retirement Contributions	-	-	-	223,386	-	223,386	223,386	-	223,386
N/A	State Health Plan Reserve	-	-	-	280,440	-	280,440	280,440	-	280,440
Total		**$174,507,551**	**$55,537,775**	**$118,969,776**	**$8,513,399**	**$0**	**$8,513,399**	**$183,020,950**	**$55,537,775**	**$127,483,175**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Agriculture and Consumer Services Budget Code 13700		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1011	General Administration	2,067,777	206,044	1,861,733	-	-	-	2,067,777	206,044	1,861,733
1012	Administrative Services	2,317,408	846,103	1,471,305	-	-	-	2,317,408	846,103	1,471,305
1013	Public Affairs	468,763	-	468,763	-	-	-	468,763	-	468,763
1014	Human Resources	1,705,350	266,260	1,439,090	-	-	-	1,705,350	266,260	1,439,090
1017	Emergency Programs Division	1,901,180	337,776	1,563,404	-	-	-	1,901,180	337,776	1,563,404
1018	Internal Audit	283,564	85,732	197,832	-	-	-	283,564	85,732	197,832
1019	IT Services	2,169,414	301,539	1,867,875	-	-	-	2,169,414	301,539	1,867,875
1020	Markets	10,486,014	2,127,659	8,358,355	750,000	-	750,000	11,236,014	2,127,659	9,108,355
1027	Property and Construction	724,287	198,399	525,888	-	-	-	724,287	198,399	525,888
1035	Small Farms	284,450	46,789	237,661	(237,661)	-	(237,661)	46,789	46,789	-
1040	Agronomic Services	4,624,791	1,285,070	3,339,721	-	-	-	4,624,791	1,285,070	3,339,721
1050	Federal - State Agricultural Statistics	1,083,404	177,149	906,255	-	-	-	1,083,404	177,149	906,255
1070	Commercial Feed and Pet Food	1,739,966	1,424,092	315,874	-	-	-	1,739,966	1,424,092	315,874
1080	Commercial Fertilizer Analysis	568,813	-	568,813	(65,169)	-	(65,169)	503,644	-	503,644
1090	Pesticide Control and Analysis	3,837,884	3,744,539	93,345	-	-	-	3,837,884	3,744,539	93,345
1100	Food, Drug, and Cosmetic Analysis	11,131,934	3,328,892	7,803,042	75,000	-	75,000	11,206,934	3,328,892	7,878,042
1120	Structural Pest	1,212,229	688,462	523,767	-	-	-	1,212,229	688,462	523,767
1130	Veterinary Services	13,023,012	2,571,182	10,451,830	12,056	-	12,056	13,035,068	2,571,182	10,463,886
1140	Meat and Poultry Inspection	8,331,783	4,184,769	4,147,014	-	-	-	8,331,783	4,184,769	4,147,014
1150	Weights and Measures Inspection	1,293,230	367,000	926,230	-	-	-	1,293,230	367,000	926,230
1160	Gasoline and Oil Inspection	5,478,971	5,478,971	-	-	-	-	5,478,971	5,478,971	-
1175	Seed and Fertilizer	1,508,972	807,024	701,948	-	-	-	1,508,972	807,024	701,948
1180	Plant Protection	5,651,208	2,298,581	3,352,627	-	-	-	5,651,208	2,298,581	3,352,627
1190	Research Stations - Operating	14,602,836	2,743,116	11,859,720	400,000	-	400,000	15,002,836	2,743,116	12,259,720
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-	-	-	-	-	-
1210	Distribution of USDA Donations	6,287,393	3,918,932	2,368,461	-	-	-	6,287,393	3,918,932	2,368,461
1510	NC Forest Service	46,837,654	10,744,639	36,093,015	184,914	-	184,914	47,022,568	10,744,639	36,277,929
1530	NC Forest Service - Dare Bomb Range	1,409,455	1,409,455	-	-	-	-	1,409,455	1,409,455	-
1535	NC Forest Service - Young Offenders Program	1,170,094	200	1,169,894	-	-	-	1,170,094	200	1,169,894
1610	NC Forest Service - Federal Grants	2,607,183	2,607,183	-	-	-	-	2,607,183	2,607,183	-
1611	Soil and Water Conservation	13,708,901	2,035,091	11,673,810	250,000	-	250,000	13,958,901	2,035,091	11,923,810
1990	Reserves and Transfers	4,684,504	-	4,684,504	1,663,335	-	1,663,335	6,347,839	-	6,347,839
1991	Indirect Cost - Reserve	1,307,127	1,307,127	-	-	-	-	1,307,127	1,307,127	-
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	1,477,098	-	1,477,098	1,477,098	-	1,477,098
N/A	State Retirement Contributions	-	-	-	1,036,262	-	1,036,262	1,036,262	-	1,036,262
N/A	State Health Plan Reserve	-	-	-	594,266	-	594,266	594,266	-	594,266
Total		$174,509,551	$55,537,775	$118,971,776	$6,140,101	$0	$6,140,101	$180,649,652	$55,537,775	$125,111,877

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Agriculture and Consumer Services					
Budget Code 13700		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1011	General Administration	19.80	-	-	19.80
1012	Administrative Services	30.00	-	-	30.00
1013	Public Affairs	5.00	-	-	5.00
1014	Human Resources	14.00	-	-	14.00
1017	Emergency Programs Division	16.00	-	-	16.00
1018	Internal Audit	3.00	-	-	3.00
1019	IT Services	20.00	-	-	20.00
1020	Markets	95.00	-	-	95.00
1027	Property and Construction	8.00	-	-	8.00
1035	Small Farms	3.00	(3.00)	-	-
1040	Agronomic Services	57.00	-	-	57.00
1050	Federal - State Agricultural Statistics	14.00	-	-	14.00
1070	Commercial Feed and Pet Food	21.00	-	-	21.00
1080	Commercial Fertilizer Analysis	7.00	(1.00)	-	6.00
1090	Pesticide Control and Analysis	50.80	-	-	50.80
1100	Food, Drug, and Cosmetic Analysis	116.00	-	-	116.00
1120	Structural Pest	18.70	-	-	18.70
1130	Veterinary Services	139.00	(1.00)	-	138.00
1140	Meat and Poultry Inspection	119.00	-	-	119.00
1150	Weights and Measures Inspection	17.00	-	-	17.00
1160	Gasoline and Oil Inspection	75.00	-	-	75.00
1175	Seed and Fertilizer	24.00	-	-	24.00
1180	Plant Protection	61.75	-	-	61.75
1190	Research Stations - Operating	163.00	-	-	163.00
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-
1210	Distribution of USDA Donations	44.00	-	-	44.00
1510	NC Forest Service	573.37	(2.00)	-	571.37
1530	NC Forest Service - Dare Bomb Range	13.00	-	-	13.00
1535	NC Forest Service - Young Offenders Program	17.00	-	-	17.00
1610	NC Forest Service - Federal Grants	25.00	-	-	25.00
1611	Soil and Water Conservation	42.20	-	-	42.20
1990	Reserves and Transfers	-	-	-	-
1991	Indirect Cost - Reserve	-	-	-	-
			-	-	-
Total FTE		**1,811.62**	**(7.00)**	**-**	**1,804.62**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Agriculture and Consumer Services					
Budget Code 13700		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1011	General Administration	19.80	-	-	19.80
1012	Administrative Services	30.00	-	-	30.00
1013	Public Affairs	5.00	-	-	5.00
1014	Human Resources	14.00	-	-	14.00
1017	Emergency Programs Division	16.00	-	-	16.00
1018	Internal Audit	3.00	-	-	3.00
1019	IT Services	20.00	-	-	20.00
1020	Markets	95.00	-	-	95.00
1027	Property and Construction	8.00	-	-	8.00
1035	Small Farms	3.00	(3.00)	-	-
1040	Agronomic Services	57.00	-	-	57.00
1050	Federal - State Agricultural Statistics	14.00	-	-	14.00
1070	Commercial Feed and Pet Food	21.00	-	-	21.00
1080	Commercial Fertilizer Analysis	7.00	(1.00)	-	6.00
1090	Pesticide Control and Analysis	50.80	-	-	50.80
1100	Food, Drug, and Cosmetic Analysis	116.00	-	-	116.00
1120	Structural Pest	18.70	-	-	18.70
1130	Veterinary Services	139.00	(1.00)	-	138.00
1140	Meat and Poultry Inspection	119.00	-	-	119.00
1150	Weights and Measures Inspection	17.00	-	-	17.00
1160	Gasoline and Oil Inspection	75.00	-	-	75.00
1175	Seed and Fertilizer	24.00	-	-	24.00
1180	Plant Protection	61.75	-	-	61.75
1190	Research Stations - Operating	163.00	-	-	163.00
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-
1210	Distribution of USDA Donations	44.00	-	-	44.00
1510	NC Forest Service	573.37	(2.00)	-	571.37
1530	NC Forest Service - Dare Bomb Range	13.00	-	-	13.00
1535	NC Forest Service - Young Offenders Program	17.00	-	-	17.00
1610	NC Forest Service - Federal Grants	25.00	-	-	25.00
1611	Soil and Water Conservation	42.20	-	-	42.20
1990	Reserves and Transfers	-	-	-	-
1991	Indirect Cost - Reserve	-	-	-	-
			-	-	-
Total FTE		**1,811.62**	**(7.00)**	**-**	**1,804.62**

Agriculture and Consumer Services

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$118,969,776**		**$118,971,776**	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$1,477,098	R	$1,477,098	R
2 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$223,386	R	$1,036,262	R
3 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$280,440	R	$594,266	R

	FY 17-18		FY 18-19	
Food and Drug				
4 Vacant Position **Fund Code:** 1080 Eliminates the salary and benefits of 1 vacant position within the Food and Drug Division that has been vacant for more than 12 months. 60011913 - Chemist II (1.0 FTE) The revised net appropriation for salaries and benefits of this Division is $6.9 million in each year of the biennium.	($65,169) -1.00	R	($65,169) -1.00	R
5 Additional Operating Costs **Fund Code:** 1100 Provides funding for ongoing operational costs, including scientific and laboratory supplies, equipment, maintenance agreements, and utility costs. The revised net appropriation to the Division from all changes is $8.7 million in each year of the biennium.	$75,000	R	$75,000	R
Forest Service				
6 Vacant Positions **Fund Code:** 1510 Eliminates the salaries and benefits of 2 vacant positions within the Division that have been vacant for more than 12 months. 60031811 - Service Forester (1.0 FTE) 60031747 - District Ranger (1.0 FTE) The revised net appropriation for the salaries and benefits for the Forest Service from all changes is $28.1 million in each year of the biennium.	($115,086) -2.00	R	($115,086) -2.00	R
7 Firefighting Equipment **Fund Code:** 1510 Provides nonrecurring funds for the purchase of an airplane for firefighting and recurring funds for readiness response and maintenance and operating costs of all firefighting equipment. The revised net appropriation to the Forest Service from all changes is $39.4 million in FY 2017-18 and $37.4 million in FY 2018-19.	$300,000 $2,000,000	R NR	$300,000	R

	FY 17-18		FY 18-19	
Markets				
8 **International Marketing** **Fund Code:** 1020 Increases funding for the International Marketing Program to enhance marketing opportunities for agricultural products of the State. The revised net appropriation to the Markets Division from all changes is $9.1 million in each year of the biennium.	$500,000	R	$500,000	R
9 **Food Marketing** **Fund Code:** 1020 Provides funding for food marketing related to the Food Science Processing and Innovation Center in the Core Laboratory of the North Carolina Research Campus. These marketing funds will be used to connect farmers with prospective customers, promote inbound and outbound international trade missions, strengthen existing promotional campaigns around selected commodities, and other related marketing uses. The intent is to provide nonrecurring funding in each year through FY 2020-21. The revised net appropriation to the Markets Division from all changes is $9.1 million in each year of the biennium.	$250,000	NR	$250,000	NR
Research Stations				
10 **Seasonal Labor For Research Stations** **Fund Code:** 1190 Provides additional funding for seasonal labor costs at agricultural research stations. These funds will support the expanded number and scope of research projects across the State. The revised net appropriation to the Research Stations Division is $12.2 million in each year of the biennium.	$400,000	R	$400,000	R
Reserves and Transfers				
11 **Tobacco Trust Fund** **Fund Code:** 1990 Provides additional funding to the Tobacco Trust Fund (TTF), which provides grants to tobacco-related farms and businesses. A corresponding item showing the transfer of these funds can be found in the TTF special fund pages. The revised net appropriation to the TTF based on this adjustment is $2.6 million in each year of the biennium.	$663,335	R	$663,335	R

	FY 17-18		FY 18-19	
12 Agricultural Development and Farmland Preservation Trust Fund **Fund Code:** 1990 Provides funding to the Agricultural Development and Farmland Preservation Trust Fund (ADFPTF), which supports the purchase of agricultural conservation easements and funds public and private enterprise programs that will promote profitable and sustainable family farms. A corresponding item showing the transfer of these funds can be found in the ADFPTF special fund pages. The revised net appropriation to ADFPTF is $3.6 million in FY 2017-18 and $2.6 million in FY 2018-19.	$1,000,000	NR		
13 Association of Agricultural Fairs **Fund Code:** 1990 Provides a grant to the Association of Agricultural Fairs. The revised net appropriation to the Association is $300,000 in FY 2017-18 only.	$300,000	NR		
14 Healthy Food Small Retailers **Fund Code:** 1990 Provides funds to increase the availability of fresh agricultural products in food deserts located in the State. The revised net appropriation for this program is $200,000 in FY 2017-18 only.	$200,000	NR		
15 Supplemental Funding **Fund Code:** 1990 Provides the Department with funds to offset costs potentially incurred through intervention in federal litigation over the Environmental Protection Agency's Waters of the United States rule. These funds may also be used for any other purpose deemed necessary by the Department. A corresponding special provision provides furthers guidance. The revised net appropriation for the Department is $127.5 million in FY 2017-18 and $125.1 million in FY 2018-19.	$1,000,000	R	$1,000,000	R

	FY 17-18		FY 18-19	
Small Farms				
16 Small Farms Program **Fund Code:** 1035 Eliminates funding for the Small Farms Program, which provides outreach and education to small, limited-resource, and minority farmers. This change includes eliminating the salaries and benefits of 3 filled positions. 60011475 - Agricultural Program Specialist (1.0 FTE) 60011476 - Agricultural Marketing Specialist I (1.0 FTE) 60011477 - Agricultural Marketing Specialist I (1.0 FTE) The revised net appropriation for the Small Farms Program is $0 in each year of the biennium.	($237,661) -3.00	R	($237,661) -3.00	R
Soil and Water				
17 Agricultural Water Resources Assistance Program (AgWRAP) **Fund Code:** 1611 Provides funding to supplement existing cost-share funding for AgWRAP, a program that implements best management practices to conserve and protect water resources, increases water-use efficiency, and increases water storage and availability for agricultural purposes. The revised net appropriation to the AgWRAP program is $1.2 million in each year of the biennium.	$250,000	R	$250,000	R
Veterinary Services				
18 Vacant Position **Fund Code:** 1130 Eliminates the salary and benefits of 1 vacant position within the Division that has been vacant for more than 12 months. 60012109 - Animal Health Technician I (1.0 FTE) The revised net appropriation for the salaries and benefits in this Division is $9.3 million in each year of the biennium.	($62,944) -1.00	R	($62,944) -1.00	R
19 Additional Operating Costs **Fund Code:** 1130 Provides funding for ongoing operational costs, including scientific and laboratory supplies, equipment, maintenance agreements, and utility costs. The revised net appropriation to the Division from all changes is $10.5 million in each year of the biennium.	$75,000	R	$75,000	R

	FY 17-18		FY 18-19	
Total Legislative Changes	**$4,763,399**	R	**$5,890,101**	R
	$3,750,000	NR	**$250,000**	NR
Total Position Changes	-7.00		-7.00	
Revised Budget	**$127,483,175**		**$125,111,877**	

DACS - Special Revenue

Budget Code: 23700

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$11,103,636**	**$11,919,405**
Recommended Budget		
Requirements	**$7,263,165**	**$7,263,165**
Receipts	**$8,078,934**	**$8,078,934**
Positions	**38.73**	**38.73**
Legislative Changes		
Requirements:		
Agricultural Development and Farmland Preservation Trust Fund (2108)	$0 R	$0 R
Adjusts the budget to reflect the transfer of an additional $1 million from the General Fund in FY 2017-18.	$1,000,000 NR 0.00	$0 NR 0.00
Subtotal Legislative Changes	**$0** R **$1,000,000** NR 0.00	**$0** R **$0** NR 0.00
Receipts:		
Agricultural Development and Farmland Preservation Trust Fund (2108)	$0 R	$0 R
Adjusts the budget to reflect the transfer of an additional $1 million from the General Fund in FY 2017-18.	$1,000,000 NR	$0 NR
Subtotal Legislative Changes	**$0** R **$1,000,000** NR	**$0** R **$0** NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	**$8,263,165**	**$7,263,165**
Revised Total Receipts	**$9,078,934**	**$8,078,934**
Change in Fund Balance	**$815,769**	**$815,769**
Total Positions	**38.73**	**38.73**
Unappropriated Balance Remaining	**$11,919,405**	**$12,735,174**

DACS - Tobacco Trust Fund

Budget Code: 23703

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$8,141,248**		**$3,904,583**	
Recommended Budget				
Requirements	**$4,341,957**		**$4,341,957**	
Receipts	**$2,225,292**		**$2,225,292**	
Positions	**3.00**		**3.00**	
Legislative Changes				
Requirements:				
Fund Balance Technical Adjustment (2801) Adjusts the fund balance to align to the actual fund balance. This is a technical adjustment.	$0 $4,239,049 0.00	R NR	$0 $0 0.00	R NR
Base Budget Technical Adjustment (2801) Adjusts the budget for Tobacco Trust Fund to align with actual requirements. This is a technical adjustment.	($2,334,825) $0 0.00	R NR	($2,334,825) $0 0.00	R NR
Tobacco Trust Fund (2801) Adjusts the budget to reflect the transfer of $663,335 in additional funding from the General Fund in each year of the biennium.	$663,335 $0 0.00	R NR	$663,335 $0 0.00	R NR
Subtotal Legislative Changes	**($1,671,490)** **$4,239,049** 0.00	R NR	**($1,671,490)** **$0** 0.00	R NR
Receipts:				
Base Budget Technical Adjustment (2801) Adjusts the budget for Tobacco Trust Fund to align with actual receipts. This is a technical adjustment.	($215,776) $0	R NR	($215,776) $0	R NR

	FY 2017-18		FY 2018-19	
Tobacco Trust Fund (2801)	$663,335	R	$663,335	R
Adjusts the budget to reflect the transfer of $663,335 in additional funding from the General Fund in each year of the biennium.	$0	NR	$0	NR
Subtotal Legislative Changes	**$447,559**	R	**$447,559**	R
	$0	NR	**$0**	NR
Revised Total Requirements	**$6,909,516**		**$2,670,467**	
Revised Total Receipts	**$2,672,851**		**$2,672,851**	
Change in Fund Balance	**($4,236,665)**		**$2,384**	
Total Positions	**3.00**		**3.00**	
Unappropriated Balance Remaining	**$3,904,583**		**$3,906,967**	

Department of Labor
Budget Code 13800

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$32,764,338	$32,771,935
Receipts	$16,242,410	$16,242,410
Net Appropriation	$16,521,928	$16,529,525
Legislative Changes		
Requirements	$1,009,787	$1,207,162
Receipts	$0	$0
Net Appropriation	$1,009,787	$1,207,162
Revised Budget		
Requirements	$33,774,125	$33,979,097
Receipts	$16,242,410	$16,242,410
Net Appropriation	$17,531,715	$17,736,687

General Fund FTE		
Base Budget	381.29	381.29
Legislative Changes	0.00	0.00
Revised Budget	381.29	381.29

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Labor Budget Code 13800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1120	Administrative Services	3,324,405	1,754,032	1,570,373	200,000	-	200,000	3,524,405	1,754,032	1,770,373
1210	Research and Information Technology	601,772	537,004	64,768	-	-	-	601,772	537,004	64,768
1310	Boiler Inspection Division	2,204,107	2,204,107	-	-	-	-	2,204,107	2,204,107	-
1320	Elevator Inspection Division	4,261,451	4,261,451	-	-	-	-	4,261,451	4,261,451	-
1330	Mine and Quarry Inspection Division	357,311	-	357,311	-	-	-	357,311	-	357,311
1331	Federal Mine Safety and Health Act	153,752	153,752	-	-	-	-	153,752	153,752	-
1340	Wage and Hour Division	2,148,296	-	2,148,296	-	-	-	2,148,296	-	2,148,296
1345	Employment Discrimination Bureau	575,001	-	575,001	-	-	-	575,001	-	575,001
1350	Occupational Health and Safety Administration	7,179,828	3,613,759	3,566,069	-	-	-	7,179,828	3,613,759	3,566,069
1351	Review Commission	257,729	-	257,729	-	-	-	257,729	-	257,729
1352	OSHA - State Funds	7,706,143	-	7,706,143	500,000	-	500,000	8,206,143	-	8,206,143
1353	OSHA - Federal Funds	1,256,197	1,256,197	-	-	-	-	1,256,197	1,256,197	-
1358	Bureau of Consultative Services	1,460,323	1,314,288	146,035	-	-	-	1,460,323	1,314,288	146,035
1360	OSHA/BLS Statistical Program	260,406	130,203	130,203	-	-	-	260,406	130,203	130,203
1991	Indirect Costs - Reserve	1,017,617	1,017,617	-	-	-	-	1,017,617	1,017,617	-
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	225,210	-	225,210	225,210	-	225,210
N/A	State Retirement Contributions	-	-	-	40,767	-	40,767	40,767	-	40,767
N/A	State Health Plan Reserve	-	-	-	43,810	-	43,810	43,810	-	43,810
Total	FY 2017-18	$32,764,338	$16,242,410	$16,521,928	$1,009,787	$0	$1,009,787	$33,774,125	$16,242,410	$17,531,715

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Labor Budget Code 13800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1120	Administrative Services	3,324,405	1,754,032	1,570,373	200,000	-	200,000	3,524,405	1,754,032	1,770,373
1210	Research and Information Technology	601,772	537,004	64,768	-	-	-	601,772	537,004	64,768
1310	Boiler Inspection Division	2,204,107	2,204,107	-	-	-	-	2,204,107	2,204,107	-
1320	Elevator Inspection Division	4,261,451	4,261,451	-	-	-	-	4,261,451	4,261,451	-
1330	Mine and Quarry Inspection Division	357,311	-	357,311	-	-	-	357,311	-	357,311
1331	Federal Mine Safety and Health Act	153,752	153,752	-	-	-	-	153,752	153,752	-
1340	Wage and Hour Division	2,148,296	-	2,148,296	-	-	-	2,148,296	-	2,148,296
1345	Employment Discrimination Bureau	575,001	-	575,001	-	-	-	575,001	-	575,001
1350	Occupational Health and Safety Administration	7,179,828	3,613,759	3,566,069	-	-	-	7,179,828	3,613,759	3,566,069
1351	Review Commission	257,729	-	257,729	-	-	-	257,729	-	257,729
1352	OSHA - State Funds	7,713,740	-	7,713,740	500,000	-	500,000	8,213,740	-	8,213,740
1353	OSHA - Federal Funds	1,256,197	1,256,197	-	-	-	-	1,256,197	1,256,197	-
1358	Bureau of Consultative Services	1,460,323	1,314,288	146,035	-	-	-	1,460,323	1,314,288	146,035
1360	OSHA/BLS Statistical Program	260,406	130,203	130,203	-	-	-	260,406	130,203	130,203
1991	Indirect Costs - Reserve	1,017,617	1,017,617	-	-	-	-	1,017,617	1,017,617	-
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	225,210	-	225,210	225,210	-	225,210
N/A	State Retirement Contributions	-	-	-	189,116	-	189,116	189,116	-	189,116
N/A	State Health Plan Reserve	-	-	-	92,836	-	92,836	92,836	-	92,836
Total	FY 2017-18	$32,771,935	$16,242,410	$16,529,525	$1,207,162	$0	$1,207,162	$33,979,097	$16,242,410	$17,736,687

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Labor					
Budget Code 13800		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1120	Administrative Services	40.080	-	-	40.08
1210	Research and Information Technology	5.170	-	-	5.17
1310	Boiler Inspection Division	23.000	-	-	23.00
1320	Elevator Inspection Division	49.000	-	-	49.00
1330	Mine and Quarry Inspection Division	4.600	-	-	4.60
1331	Federal Mine Safety and Health Acl	1.400	-	-	1.40
1340	Wage and Hour Division	31.000	-	-	31.00
1345	Employment Discrimination Bureau	8.000	-	-	8.00
1350	Occupational Health and Safety Administration	87.770	-	-	87.77
1351	Review Commission	3.000	-	-	3.00
1352	OSHA - State Funds	96.560	-	-	96.56
1353	OSHA - Federal Funds	9.920	-	-	9.92
1358	Bureau of Consultative Services	17.790	-	-	17.79
1360	OSHA/BLS Statistical Program	4.000	-	-	4.00
1991	Indirect Costs - Reserve	-	-	-	-
			-	-	-
Total FTE		381.29	-	-	381.29

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Labor					
Budget Code 13800		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1120	Administrative Services	40.080	-	-	40.08
1210	Research and Information Technology	5.170	-	-	5.17
1310	Boiler Inspection Division	23.000	-	-	23.00
1320	Elevator Inspection Division	49.000	-	-	49.00
1330	Mine and Quarry Inspection Division	4.600	-	-	4.60
1331	Federal Mine Safety and Health Act	1.400	-	-	1.40
1340	Wage and Hour Division	31.000	-	-	31.00
1345	Employment Discrimination Bureau	8.000	-	-	8.00
1350	Occupational Health and Safety Administration	87.770	-	-	87.77
1351	Review Commission	3.000	-	-	3.00
1352	OSHA - State Funds	96.560	-	-	96.56
1353	OSHA - Federal Funds	9.920	-	-	9.92
1358	Bureau of Consultative Services	17.790	-	-	17.79
1360	OSHA/BLS Statistical Program	4.000	-	-	4.00
1991	Indirect Costs - Reserve	-	-	-	-
			-	-	-
Total FTE		381.29	-	-	381.29

Labor

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$16,521,928**		**$16,529,525**	
Legislative Changes				
Reserve for Salaries and Benefits				
20 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$225,210	R	$225,210	R
21 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$40,767	R	$189,116	R
22 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$43,810	R	$92,836	R

	FY 17-18		FY 18-19	
Administrative Services				
23 Information Technology **Fund Code:** 1120 Provides additional funds to support the increased cost of server maintenance and other fees charged by the Department of Information Technology. The revised net appropriation for the Administrative Services division is $1.8 million in each year of the biennium.	$200,000	R	$200,000	R
Occupational Safety and Health (OSH)				
24 OSH Compensation **Fund Code:** 1352 Provides additional funds to increase OSH staff salaries to a level that more accurately reflects the market rate. The revised net appropriation for the OSH division following this change is $12.3 million in each year of the biennium.	$500,000	R	$500,000	R
Total Legislative Changes	**$1,009,787**	R	**$1,207,162**	
Total Position Changes				
Revised Budget	**$17,531,715**		**$17,736,687**	

Department of Environmental Quality
Budget Code 14300

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$228,135,484	$228,135,484
Receipts	$150,280,572	$150,280,572
Net Appropriation	$77,854,912	$77,854,912
Legislative Changes		
Requirements	($6,906,474)	($6,421,541)
Receipts	$278,788	$278,788
Net Appropriation	($7,185,262)	($6,700,329)
Revised Budget		
Requirements	$221,229,010	$221,713,943
Receipts	$150,559,360	$150,559,360
Net Appropriation	$70,669,650	$71,154,583

General Fund FTE		
Base Budget	1,110.86	1,110.86
Legislative Changes	(42.50)	(42.50)
Revised Budget	1,068.36	1,068.36

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Environmental Quality										
Budget Code 14300		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1125	DENR - Coal Ash Management	-	-	-	-	-	-	-	-	-
1130	Regional Field Offices Support Services	5,291,069	2,597,509	2,693,560	(1,346,780)	-	(1,346,780)	3,944,289	2,597,509	1,346,780
1140	Administrative Services	10,110,436	3,143,271	6,967,165	(486,878)	-	(486,878)	9,623,558	3,143,271	6,480,287
1315	Marine Fisheries - Administration	2,624,211	329,307	2,294,904	100,000	-	100,000	2,724,211	329,307	2,394,904
1320	Marine Fisheries - Research and Management	11,190,493	3,531,516	7,658,977	1,239,159	-	1,239,159	12,429,652	3,531,516	8,898,136
1325	Marine Fisheries - Law Enforcement	7,297,026	3,063,561	4,233,465	-	-	-	7,297,026	3,063,561	4,233,465
1460	WIF - Water Infrastructure	102,491,628	82,215,250	20,276,378	-	-	-	102,491,628	82,215,250	20,276,378
1490	Water Supply Protection	5,460,394	5,224,940	235,454	-	118,060	(118,060)	5,460,394	5,343,000	117,394
1495	Shellfish Sanitation	2,045,884	322,945	1,722,939	-	-	-	2,045,884	322,945	1,722,939
1610	LWS - Natural Resource Planning and Construction	712,949	563,590	149,359	-	-	-	712,949	563,590	149,359
1615	Division of Env. Asst. and Customer Srv. (DEACS)	3,148,056	237,461	2,910,595	(2,910,595)	-	(2,910,595)	237,461	237,461	-
1620	Division of Water Resources Water Planning	5,291,054	1,958,612	3,332,442	-	-	-	5,291,054	1,958,612	3,332,442
1625	Coastal Management	6,162,823	4,792,662	1,370,161	-	27,172	(27,172)	6,162,823	4,819,834	1,342,989
1635	DWR - Laboratory Services Water Sciences Section	2,486,644	733,475	1,753,169	-	-	-	2,486,644	733,475	1,753,169
1660	Groundwater Protection	863,939	863,939	-	1,344,852	99,692	1,245,160	2,208,791	963,631	1,245,160
1665	Groundwater Storage Tanks - Leaking	3,645,604	3,645,542	62	-	-	-	3,645,604	3,645,542	62
1671	UST - Compliance, Inspection	5,346,712	4,261,955	1,084,757	-	-	-	5,346,712	4,261,955	1,084,757
1685	State Revolving Fund	41,361	41,361	-	-	-	-	41,361	41,361	-
1690	Water Resources - Control	12,942,923	6,421,589	6,521,334	-	33,864	(33,864)	12,942,923	6,455,453	6,487,470
1695	Water Resources - Permit Fee	4,213,462	4,213,462	-	-	-	-	4,213,462	4,213,462	-
1705	Water Resources - Albemarle/Pamlico Sounds	1,187,006	1,187,006	-	-	-	-	1,187,006	1,187,006	-
1710	Water Resources - EPA Grant	273,038	273,038	-	-	-	-	273,038	273,038	-
1720	Water Resources - Non-Point Source	3,684,095	3,684,095	-	-	-	-	3,684,095	3,684,095	-
1725	Wetlands-Program Development	1,073	1,073	-	-	-	-	1,073	1,073	-
1730	Land Resources-Administration	359,750	-	359,750	(134,598)	-	(134,598)	225,152	-	225,152
1735	Geological Survey	1,052,127	99,657	952,470	-	-	-	1,052,127	99,657	952,470
1740	Land Quality	5,400,890	1,560,581	3,840,309	47,605	-	47,605	5,448,495	1,560,581	3,887,914
1749	DENR-Energy Office	1,693,173	-	1,693,173	(1,056,933)	-	(1,056,933)	636,240	-	636,240
1760	Solid Waste Management	11,578,052	8,260,100	3,317,952	-	-	-	11,578,052	8,260,100	3,317,952
1770	Air Quality Control	4,198,773	4,198,773	-	-	-	-	4,198,773	4,198,773	-
1910	Reserves and Transfers	4,486,537	-	4,486,537	(4,500,000)	-	(4,500,000)	(13,463)	-	(13,463)
1940	Federal-Special-Indirect	2,854,302	2,854,302	-	-	-	-	2,854,302	2,854,302	-
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	589,737	-	589,737	589,737	-	589,737
N/A	State Retirement Contributions	-	-	-	100,093	-	100,093	100,093	-	100,093
N/A	State Health Plan Reserve	-	-	-	107,864	-	107,864	107,864	-	107,864
Total		**$228,135,484**	**$150,280,572**	**$77,854,912**	**($6,906,474)**	**$278,788**	**($7,185,262)**	**$221,229,010**	**$150,559,360**	**$70,669,650**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Environmental Quality		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14300										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1125	DENR - Coal Ash Management	-	-	-	-	-	-	-	-	-
1130	Regional Field Offices Support Services	5,291,069	2,597,509	2,693,560	(1,346,780)	-	(1,346,780)	3,944,289	2,597,509	1,346,780
1140	Administrative Services	10,110,436	3,143,271	6,967,165	(486,878)	-	(486,878)	9,623,558	3,143,271	6,480,287
1315	Marine Fisheries - Administration	2,624,211	329,307	2,294,904	100,000	-	100,000	2,724,211	329,307	2,394,904
1320	Marine Fisheries - Research and Management	11,190,493	3,531,516	7,658,977	1,239,159	-	1,239,159	12,429,652	3,531,516	8,898,136
1325	Marine Fisheries - Law Enforcement	7,297,026	3,063,561	4,233,465	-	-	-	7,297,026	3,063,561	4,233,465
1460	WIF - Water Infrastructure	102,491,628	82,215,250	20,276,378	-	-	-	102,491,628	82,215,250	20,276,378
1490	Water Supply Protection	5,460,394	5,224,940	235,454	-	118,060	(118,060)	5,460,394	5,343,000	117,394
1495	Shellfish Sanitation	2,045,884	322,945	1,722,939	-	-	-	2,045,884	322,945	1,722,939
1610	LWS - Natural Resource Planning and Construction	712,949	563,590	149,359	-	-	-	712,949	563,590	149,359
1615	Division of Env. Asst. and Customer Srv. (DEACS)	3,148,056	237,461	2,910,595	(2,910,595)	-	(2,910,595)	237,461	237,461	-
1620	Division of Water Resources Water Planning	5,291,054	1,958,612	3,332,442	-	-	-	5,291,054	1,958,612	3,332,442
1625	Coastal Management	6,162,823	4,792,662	1,370,161	-	27,172	(27,172)	6,162,823	4,819,834	1,342,989
1635	DWR - Laboratory Services Water Sciences Section	2,486,644	733,475	1,753,169	-	-	-	2,486,644	733,475	1,753,169
1660	Groundwater Protection	863,939	863,939	-	1,344,852	99,692	1,245,160	2,208,791	963,631	1,245,160
1665	Groundwater Storage Tanks - Leaking	3,645,604	3,645,542	62	-	-	-	3,645,604	3,645,542	62
1671	UST - Compliance, Inspection	5,346,712	4,261,955	1,084,757	-	-	-	5,346,712	4,261,955	1,084,757
1685	State Revolving Fund	41,361	41,361	-	-	-	-	41,361	41,361	-
1690	Water Resources - Control	12,942,923	6,421,589	6,521,334	-	33,864	(33,864)	12,942,923	6,455,453	6,487,470
1695	Water Resources - Permit Fee	4,213,462	4,213,462	-	-	-	-	4,213,462	4,213,462	-
1705	Water Resources - Albemarle/Pamlico Sounds	1,187,006	1,187,006	-	-	-	-	1,187,006	1,187,006	-
1710	Water Resources - EPA Grant	273,038	273,038	-	-	-	-	273,038	273,038	-
1720	Water Resources - Non-Point Source	3,684,095	3,684,095	-	-	-	-	3,684,095	3,684,095	-
1725	Wetlands-Program Development	1,073	1,073	-	-	-	-	1,073	1,073	-
1730	Land Resources-Administration	359,750	-	359,750	(134,598)	-	(134,598)	225,152	-	225,152
1735	Geological Survey	1,052,127	99,657	952,470	-	-	-	1,052,127	99,657	952,470
1740	Land Quality	5,400,890	1,560,581	3,840,309	47,605	-	47,605	5,448,495	1,560,581	3,887,914
1749	DENR-Energy Office	1,693,173	-	1,693,173	(1,056,933)	-	(1,056,933)	636,240	-	636,240
1760	Solid Waste Management	11,578,052	8,260,100	3,317,952	-	-	-	11,578,052	8,260,100	3,317,952
1770	Air Quality Control	4,198,773	4,198,773	-	-	-	-	4,198,773	4,198,773	-
1910	Reserves and Transfers	4,486,537	-	4,486,537	(4,500,000)	-	(4,500,000)	(13,463)	-	(13,463)
1940	Federal-Special-Indirect	2,854,302	2,854,302	-	-	-	-	2,854,302	2,854,302	-
Undesignated										
N/A	Compensation Increase Reserve			-	589,737	-	589,737	589,737	-	589,737
N/A	State Retirement Contributions	-	-	-	464,320	-	464,320	464,320	-	464,320
N/A	State Health Plan Reserve	-	-	-	228,570	-	228,570	228,570	-	228,570
Total		$228,135,484	$150,280,572	$77,854,912	($6,421,541)	$278,788	($6,700,329)	$221,713,943	$150,559,360	$71,154,583

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Environmental Quality					
Budget Code 14300		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1125	DENR - Coal Ash Management	(3.28)	-	-	(3.28)
1130	Regional Field Offices Support Services	39.00	(14.00)	-	25.00
1140	Administrative Services	68.45	(5.00)	-	63.45
1315	Marine Fisheries - Administration	26.47	-	-	26.47
1320	Marine Fisheries - Research and Management	111.53	(1.00)	-	110.53
1325	Marine Fisheries - Law Enforcement	81.00	-	-	81.00
1460	WIF - Water Infrastructure	7.00	-	-	7.00
1490	Water Supply Protection	59.00	(1.50)	1.50	59.00
1495	Shellfish Sanitation	24.00	-	-	24.00
1610	LWS - Natural Resource Planning and Construction	7.00	-	-	7.00
1615	Division of Env. Asst. and Customer Srv. (DEACS)	34.95	(32.50)	-	2.45
1620	Division of Water Resources Water Planning	32.44	-	-	32.44
1625	Coastal Management	48.65	-	-	48.65
1635	DWR - Laboratory Services Water Sciences Section	28.50	-	-	28.50
1660	Groundwater Protection	11.33	13.00	1.00	25.33
1665	Groundwater Storage Tanks - Leaking	30.20	-	-	30.20
1671	UST - Compliance, Inspection	61.15	-	-	61.15
1685	State Revolving Fund	-	-	-	-
1690	Water Resources - Control	138.97	(0.50)	0.50	138.97
1695	Water Resources - Permit Fee	50.74	-	-	50.74
1705	Water Resources - Albemarle/Pamlico Sounds	14.00	-	-	14.00
1710	Water Resources - EPA Grant	2.00	-	-	2.00
1720	Water Resources - Non-Point Source	22.50	-	-	22.50
1725	Wetlands-Program Development	-	-	-	-
1730	Land Resources-Administration	3.04	(1.00)	-	2.04
1735	Geological Survey	12.05	-	-	12.05
1740	Land Quality	57.02	(3.00)	-	54.02
1749	DENR-Energy Office	5.00	-	-	5.00
1760	Solid Waste Management	112.32	-	-	112.32
1770	Air Quality Control	25.83	-	-	25.83
1910	Reserves and Transfers	-	-	-	-
1940	Federal-Special-Indirect	-	-	-	-
Total FTE		**1,110.86**	**(45.50)**	**3.00**	**1,068.36**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Environmental Quality					
Budget Code 14300		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1125	DENR - Coal Ash Management	(3.28)	-	-	(3.28)
1130	Regional Field Offices Support Services	39.00	(14.00)	-	25.00
1140	Administrative Services	68.45	(5.00)	-	63.45
1315	Marine Fisheries - Administration	26.47	-	-	26.47
1320	Marine Fisheries - Research and Management	111.53	(1.00)	-	110.53
1325	Marine Fisheries - Law Enforcement	81.00	-	-	81.00
1460	WIF - Water Infrastructure	7.00	-	-	7.00
1490	Water Supply Protection	59.00	(1.50)	1.50	59.00
1495	Shellfish Sanitation	24.00	-	-	24.00
1610	LWS - Natural Resource Planning and Construction	7.00	-	-	7.00
1615	Division of Env. Asst. and Customer Srv. (DEACS)	34.95	(32.50)	-	2.45
1620	Division of Water Resources Water Planning	32.44	-	-	32.44
1625	Coastal Management	48.65	-	-	48.65
1635	DWR - Laboratory Services Water Sciences Section	28.50	-	-	28.50
1660	Groundwater Protection	11.33	13.00	1.00	25.33
1665	Groundwater Storage Tanks - Leaking	30.20	-	-	30.20
1671	UST - Compliance, Inspection	61.15	-	-	61.15
1685	State Revolving Fund	-	-	-	-
1690	Water Resources - Control	138.97	(0.50)	0.50	138.97
1695	Water Resources - Permit Fee	50.74	-	-	50.74
1705	Water Resources - Albemarle/Pamlico Sounds	14.00	-	-	14.00
1710	Water Resources - EPA Grant	2.00	-	-	2.00
1720	Water Resources - Non-Point Source	22.50	-	-	22.50
1725	Wetlands-Program Development	-	-	-	-
1730	Land Resources-Administration	3.04	(1.00)	-	2.04
1735	Geological Survey	12.05	-	-	12.05
1740	Land Quality	57.02	(3.00)	-	54.02
1749	DENR-Energy Office	5.00	-	-	5.00
1760	Solid Waste Management	112.32	-	-	112.32
1770	Air Quality Control	25.83	-	-	25.83
1910	Reserves and Transfers	-	-	-	-
1940	Federal-Special-Indirect	-	-	-	-
Total FTE		**1,110.86**	**(45.50)**	**3.00**	**1,068.36**

Environmental Quality

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$77,854,912**		**$77,854,912**	
Legislative Changes				
Reserve for Salaries and Benefits				
25 **Compensation Increase Reserve** **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$589,737	R	$589,737	R
26 **State Retirement Contributions** **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$100,093	R	$464,320	R
27 **State Health Plan** **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$107,864	R	$228,570	R

	FY 17-18		FY 18-19	
Department-wide				
28 Management Flexibility Reduction **Fund Code:** 1910 Reduces funds available to the Department and provides the Secretary discretion to find efficiencies. A portion of these funds is redirected to the Department of Agriculture and Consumer Services to offset costs potentially incurred through intervention in federal litigation over the Environmental Protection Agency's Waters of the United States rule. The Secretary may not reduce funds in the Division of Marine Fisheries, the Division of Water Infrastructure, or the Public Water Supply Section of the Division of Water Resources to meet this requirement. The revised net appropriation for the Department following this change is $73.4 million in each year of the biennium.	($4,500,000)	R	($4,500,000)	R
Administrative Services				
29 Administrative Positions **Fund Code:** 1140 Eliminates the salaries and benefits of 3 filled positions in the Administrative Services division. Per G.S. 143B-9, the Secretary shall identify another existing position to act as Chief Deputy. 60010378 - Legislative Affairs Program Manager (1.0 FTE) 60035434 - Information/Communications Spec. III (1.0 FTE) 60035619 - DENR Chief Deputy (1.0 FTE) The revised net appropriation for Administrative Services including all changes is $6.5 million in each year of the biennium.	($321,625) -3.00	R	($321,625) -3.00	R
30 Environmental Education **Fund Code:** 1140 Eliminates the Environmental Education program and the salaries and benefits of its 2 filled positions. This program provides educational resources related to natural resource stewardship. 60036086 - Program Development Coordinator (1.0 FTE) 60036087 - Educational Development Consultant (1.0 FTE) The revised net appropriation for Administrative Services including all changes is $6.5 million in each year of the biennium.	($165,253) -2.00	R	($165,253) -2.00	R

	FY 17-18		FY 18-19	
Coastal Management				
31 Operating Expenses **Fund Code:** 1625 Shifts funding for operating expenses from net appropriations to federal funds and permit fee receipts. The revised net appropriation for the Division of Coastal Management is $1.3 million in each year of the biennium.	($27,172)	R	($27,172)	R
Energy Office				
32 University Energy Centers **Fund Code:** 1749 Eliminates energy research funding provided to the Department for the energy centers at NC State University, NC A&T University, and Appalachian State University. The revised net appropriation for the Energy Office administration following this change is $636,240 in each year of the biennium.	($1,056,933)	R	($1,056,933)	R
Energy, Mineral, and Land Resources (DEMLR)				
33 Vacant Positions **Fund Code:** 1740 Eliminates the salaries and benefits of 3 positions within DEMLR. 60032488 - Environmental Specialist (1.0 FTE) 60032436 - Engineer (1.0 FTE) 60032440 - Environmental Specialist (1.0 FTE) As of the end of February 2017, these positions had been vacant for over 10 months. The remaining net appropriation for salaries and benefits in the Land Quality program following this change is $3.2 million in each year of the biennium.	($202,395) -3.00	R	($202,395) -3.00	R
34 Senior Advisor for Policy and Innovation **Fund Code:** 1730 Eliminates the salary and benefits of the filled Senior Advisor for Policy and Innovation position. 60014877 - Sr. Advisor, Policy & Innovation (1.0 FTE) The revised net appropriation for DEMLR administration following this change is $225,152 in each year of the biennium.	($134,598) -1.00	R	($134,598) -1.00	R

	FY 17-18		FY 18-19	
35 Dam Safety Program **Fund Code:** 1740 Continues funding for the Dam Safety Program at the same level as FY 2015-17 and makes the funding recurring. These funds will be used to hire contract or temporary positions to manage and conduct the annual reviews of the emergency action plans and associated dam safety inspections and technical assistance for intermediate- and high-hazard dams as required by Part 5 of S.L. 2014-122, the Coal Ash Management Act of 2014. The revised net appropriation for miscellaneous contracts in the Land Quality program following this change is $315,475 in each year of the biennium.	$250,000	R	$250,000	R
Environmental Assistance and Customer Srv. (DEACS)				
36 DEACS Programs **Fund Code:** 1615 Eliminates funding for DEACS programs including waste reduction and increased recycling efforts. The revised net appropriation for DEACS programs following this change is $0 in each year of the biennium.	($2,910,595) -32.50	R	($2,910,595) -32.50	R
37 Regional Office Support **Fund Code:** 1130 Reduces funding for DEACS support in DEQ's regional offices by 50%. To achieve this reduction, DEQ shall eliminate 2 positions from each of the 7 Regional Offices and may reduce operating expenses and/or salary reserve to achieve the remainder. The revised net appropriation for DEACS Regional Offices following this change is $1.3 million in each year of the biennium.	($1,346,780) -14.00	R	($1,346,780) -14.00	R
Marine Fisheries				
38 Vacant Position **Fund Code:** 1320 Eliminates the salary and benefits of 1 vacant position within Marine Fisheries. 60032574 - Stock Assessment Scientist (1.0 FTE) As of the end of February 2017, this position had been vacant for over 17 months. The revised net appropriation for salaries and benefits within the Research and Management Section of Marine Fisheries is $4.1 million in each year of the biennium.	($60,841) -1.00	R	($60,841) -1.00	R

	FY 17-18		FY 18-19	
39 Fisheries Information Network Maintenance **Fund Code:** 1315 Provides funding for annual licensing and hosting fees needed to support an upgraded Fisheries Information Network (FIN). FIN is the Division's database for collecting and managing statistical data and information on North Carolina's commercial fisheries. The revised net appropriation for maintenance of FIN is $100,000 in each year of the biennium.	$100,000	R	$100,000	R
40 Oyster Sanctuaries **Fund Code:** 1320 Continues funding for oyster sanctuaries on a recurring basis. The revised net appropriation for oyster sanctuaries is $1.4 million in each year of the biennium.	$1,000,000	R	$1,000,000	R
41 Shellfish Rehabilitation **Fund Code:** 1320 Continues funding for cultch planting at the FY 2016-17 level and makes the funding recurring. The revised net appropriation for cultch planting is $1.1 million in FY 2017-18 and $1.2 million in FY 2018-19.	$150,000	R	$300,000	R
42 Oyster Study and Shellfish Mariculture Plan **Fund Code:** 1320 Provides $150,000 on a nonrecurring basis for Division of Marine Fisheries to contract with the North Carolina Policy Collaboratory to study and advance efforts to ecologically restore and achieve economic stability of the shellfish industry and to develop a Shellfish Mariculture Plan. The revised net appropriation for this study and plan development is $150,000 in FY 2017-18 only.	$150,000	NR		
Water Resources				
43 Water Quality Position **Fund Code:** 1690 Shifts funding for 0.5 positions to federal receipts. The revised net appropriation for the Water Quality Control program following this change is $6.5 million in each year in the biennium.	($33,864) -0.50	R	($33,864) -0.50	R

	FY 17-18		FY 18-19	
44 Water Supply Positions **Fund Code:** 1490 Shifts funding for 1.5 positions to federal grants and other receipts. The revised net appropriation for the Water Supply Protection program following this change is $117,394 in each year of the biennium.	($118,060) -1.50	R	($118,060) -1.50	R
45 On-Site Wastewater Program **Fund Code:** 1660 Adjusts the budget to reflect the transfer of the On-Site Water Protection Unit from the Department of Health and Human Services to the Department of Environmental Quality as a Type I transfer, per G.S. 143A-6. Two corresponding items can be found in the special fund pages that show the transfer of related funds into Well Construction and On-Site Subsurface Waste. A corresponding special provision provides additional detail. The revised net appropriation for the On-Site Wastewater program is $1.2 million in each year of the biennium.	$1,245,160 13.00	R	$1,245,160 13.00	R
Total Legislative Changes	**($7,335,262)** **$150,000**	R NR	**($6,700,329)**	R
Total Position Changes	-45.50		-45.50	
Revised Budget	**$70,669,650**		**$71,154,583**	

DENR - Special

Budget Code: 24300

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$47,251,591**		**$47,227,954**	
Recommended Budget				
Requirements	**$73,786,686**		**$73,786,686**	
Receipts	**$73,763,049**		**$73,763,049**	
Positions	**198.00**		**198.00**	
Legislative Changes				
Requirements:				
Well Construction (Fund: TBD) Adjusts the budget to reflect the transfer of special funds related to well construction for the On-Site Water Protection Unit from the Department of Health and Human Services to the Department of Environmental Quality as a Type I transfer, per G.S. 143A-6. A related item can be found in the General Fund pages that shows the transfer of related funds to the On-Site Wastewater Program.	$254,392 $0 2.00	R NR	$254,392 $0 2.00	R NR
On-Site Subsurface Waste (Fund: TBD) Adjusts the budget to reflect the transfer of special funds related to on-site subsurface waste for the On-Site Water Protection Unit from the Department of Health and Human Services to the Department of Environmental Quality as a Type I transfer, per G.S. 143A-6. A related item can be found in the General Fund pages that shows the transfer of related funds to the On-Site Wastewater Program.	$25,000 $0 0.00	R NR	$25,000 $0 0.00	R NR
Subtotal Legislative Changes	**$279,392** **$0** 2.00	R NR	**$279,392** **$0** 2.00	R NR
Receipts:				

	FY 2017-18		FY 2018-19	
Well Construction (Fund: TBD) Adjusts the budget to reflect the transfer of special funds related to well construction for the On-Site Water Protection Unit from the Department of Health and Human Services to the Department of Environmental Quality as a Type I transfer, per G.S. 143A-6. A related item can be found in the General Fund pages that shows the transfer of related funds to the On-Site Wastewater Program.	$254,392	R	$254,392	R
	$0	NR	$0	NR
On-Site Subsurface Waste (Fund: TBD) Adjusts the budget to reflect the transfer of special funds related to well construction for the On-Site Water Protection Unit from the Department of Health and Human Services to the Department of Environmental Quality as a Type I transfer, per G.S. 143A-6. A related item can be found in the General Fund pages that shows the transfer of related funds to the On-Site Wastewater Program.	$25,000	R	$25,000	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$279,392**	R	**$279,392**	R
	$0	NR	**$0**	NR
Revised Total Requirements	**$74,066,078**		**$74,066,078**	
Revised Total Receipts	**$74,042,441**		**$74,042,441**	
Change in Fund Balance	**($23,637)**		**($23,637)**	
Total Positions	**200.00**		**200.00**	
Unappropriated Balance Remaining	**$47,227,954**		**$47,204,317**	

Wildlife Resources Commission
Budget Code 14350

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$73,141,239	$73,141,239
Receipts	$61,813,030	$61,813,030
Net Appropriation	$11,328,209	$11,328,209
Legislative Changes		
Requirements	$299,407	$413,961
Receipts	$949,565	$949,565
Net Appropriation	($650,158)	($535,604)
Revised Budget		
Requirements	$73,440,646	$73,555,200
Receipts	$62,762,595	$62,762,595
Net Appropriation	$10,678,051	$10,792,605

General Fund FTE		
Base Budget	647.81	647.81
Legislative Changes	1.00	1.00
Revised Budget	648.81	648.81

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Wildlife Resources Commission Budget Code 14350		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Administrative Policy and Regulation	1,438,307	1,315,008	123,299	-	-	-	1,438,307	1,315,008	123,299
1111	Controller's Office	888,650	802,414	86,236	-	-	-	888,650	802,414	86,236
1112	Customer Support Services	1,875,815	1,711,323	164,492	-	-	-	1,875,815	1,711,323	164,492
1113	Information Technology	2,131,803	1,702,339	429,464	-	-	-	2,131,803	1,702,339	429,464
1114	Watercraft Registration and Titling	1,178,847	1,043,472	135,375	-	-	-	1,178,847	1,043,472	135,375
1115	Purchasing and Distribution	522,164	474,135	48,029	-	-	-	522,164	474,135	48,029
1116	Budget, Planning, and Audit	210,823	186,808	24,015	-	-	-	210,823	186,808	24,015
1117	Human Resources	476,309	427,743	48,566	-	-	-	476,309	427,743	48,566
1121	Enforcement	22,035,367	17,470,587	4,564,780	-	-	-	22,035,367	17,470,587	4,564,780
1131	Wildlife Education	4,074,780	3,134,886	939,894	-	-	-	4,074,780	3,134,886	939,894
1132	Pisgah Education Center	(3,267)	(2,450)	(817)	-	-	-	(3,267)	(2,450)	(817)
1133	Centennial Education Center	(450)	(338)	(112)	-	-	-	(450)	(338)	(112)
1134	Outer Banks Education Center	(320)	-	(320)	-	-	-	(320)	-	(320)
1135	Publications	1,009,346	1,030,798	(21,452)	-	-	-	1,009,346	1,030,798	(21,452)
1141	Inland Fisheries	7,790,054	7,537,908	252,146	-	-	-	7,790,054	7,537,908	252,146
1142	Habitat Conservation and Aquatic NGME	929,891	826,776	103,115	-	-	-	929,891	826,776	103,115
1151	Wildlife Management	5,260,908	4,756,514	504,394	-	-	-	5,260,908	4,756,514	504,394
1152	Wildlife Diversity Program	1,605,854	1,310,395	295,459	-	-	-	1,605,854	1,310,395	295,459
1154	Waterfowl Program	256,632	240,607	16,025	-	-	-	256,632	240,607	16,025
1161	Engineering Water Access	7,160,452	6,717,506	442,946	-	-	-	7,160,452	6,717,506	442,946
1162	Engineering and Facilities Management	481,885	464,390	17,495	-	-	-	481,885	464,390	17,495
1166	Gamelands Operations and Maintenance	12,602,885	9,645,733	2,957,152	-	-	-	12,602,885	9,645,733	2,957,152
1171	Wildlife Appropriations	4,593	-	4,593	-	949,565	(949,565)	4,593	949,565	(944,972)
1181	Habitat Conservation	1,209,911	1,016,476	193,435	-	-	-	1,209,911	1,016,476	193,435
1191	Outdoor Heritage Advisory Council	-	-	-	112,000	-	112,000	112,000	-	112,000
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	137,476	-	137,476	137,476	-	137,476
N/A	State Retirement Contributions	-	-	-	23,286	-	23,286	23,286	-	23,286
N/A	State Health Plan Reserve	-	-	-	26,645	-	26,645	26,645	-	26,645
Total		$73,141,239	$61,813,030	$11,328,209	$299,407	$949,565	($650,158)	$73,440,646	$62,762,595	$10,678,051

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Wildlife Resources Commission											
Budget Code 14350		Base Budget			Legislative Changes			Revised Budget			
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	
1101	Administrative Policy and Regulation	1,438,307	1,315,008	123,299	-	-	-	1,438,307	1,315,008	123,299	
1111	Controller's Office	888,650	802,414	86,236	-	-	-	888,650	802,414	86,236	
1112	Customer Support Services	1,875,815	1,711,323	164,492	-	-	-	1,875,815	1,711,323	164,492	
1113	Information Technology	2,131,803	1,702,339	429,464	-	-	-	2,131,803	1,702,339	429,464	
1114	Watercraft Registration and Titling	1,178,847	1,043,472	135,375	-	-	-	1,178,847	1,043,472	135,375	
1115	Purchasing and Distribution	522,164	474,135	48,029	-	-	-	522,164	474,135	48,029	
1116	Budget, Planning, and Audit	210,823	186,808	24,015	-	-	-	210,823	186,808	24,015	
1117	Human Resources	476,309	427,743	48,566	-	-	-	476,309	427,743	48,566	
1121	Enforcement	22,035,367	17,470,587	4,564,780	-	-	-	22,035,367	17,470,587	4,564,780	
1131	Wildlife Education	4,074,780	3,134,886	939,894	-	-	-	4,074,780	3,134,886	939,894	
1132	Pisgah Education Center	(3,267)	(2,450)	(817)	-	-	-	(3,267)	(2,450)	(817)	
1133	Centennial Education Center	(450)	(338)	(112)	-	-	-	(450)	(338)	(112)	
1134	Outer Banks Education Center	(320)	-	(320)	-	-	-	(320)	-	(320)	
1135	Publications	1,009,346	1,030,798	(21,452)	-	-	-	1,009,346	1,030,798	(21,452)	
1141	Inland Fisheries	7,790,054	7,537,908	252,146	-	-	-	7,790,054	7,537,908	252,146	
1142	Habitat Conservation and Aquatic NGME	929,891	826,776	103,115	-	-	-	929,891	826,776	103,115	
1151	Wildlife Management	5,260,908	4,756,514	504,394	-	-	-	5,260,908	4,756,514	504,394	
1152	Wildlife Diversity Program	1,605,854	1,310,395	295,459	-	-	-	1,605,854	1,310,395	295,459	
1154	Waterfowl Program	256,632	240,607	16,025	-	-	-	256,632	240,607	16,025	
1161	Engineering Water Access	7,160,452	6,717,506	442,946	-	-	-	7,160,452	6,717,506	442,946	
1162	Engineering and Facilities Management	481,885	464,390	17,495	-	-	-	481,885	464,390	17,495	
1166	Gamelands Operations and Maintenance	12,602,885	9,645,733	2,957,152	-	-	-	12,602,885	9,645,733	2,957,152	
1171	Wildlife Appropriations	4,593	-	4,593	-	949,565	(949,565)	4,593	949,565	(944,972)	
1181	Habitat Conservation	1,209,911	1,016,476	193,435	-	-	-	1,209,911	1,016,476	193,435	
1191	Outdoor Heritage Advisory Council	-	-	-	112,000	-	112,000	112,000	-	112,000	
Undesignated											
N/A	Compensation Increase Reserve	-	-	-	137,476	-	137,476	137,476	-	137,476	
N/A	State Retirement Contributions	-	-	-	108,023	-	108,023	108,023	-	108,023	
N/A	State Health Plan Reserve	-	-	-	56,462	-	56,462	56,462	-	56,462	
Total		$73,141,239	$61,813,030	$11,328,209	$413,961	$949,565	($535,604)	$73,555,200	$62,762,595	$10,792,605	

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Wildlife Resources Commission					
Budget Code 14350		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Administrative Policy and Regulation	11.00	-	-	11.00
1111	Controller's Office	10.00	-	-	10.00
1112	Customer Support Services	17.00	-	-	17.00
1113	Information Technology	19.00	-	-	19.00
1114	Watercraft Registration and Titling	14.00	-	-	14.00
1115	Purchasing and Distribution	7.00	-	-	7.00
1116	Budget, Planning, and Audit	2.00	-	-	2.00
1117	Human Resources	6.00	-	-	6.00
1121	Enforcement	233.00	-	-	233.00
1131	Wildlife Education	43.00	-	-	43.00
1132	Pisgah Education Center	-	-	-	-
1133	Centennial Education Center	-	-	-	-
1134	Outer Banks Education Center	-	-	-	-
1135	Publications	8.00	-	-	8.00
1141	Inland Fisheries	60.00	-	-	60.00
1142	Habitat Conservation and Aquatic NGME	9.00	-	-	9.00
1151	Wildlife Management	39.00	-	-	39.00
1152	Wildlife Diversity Program	16.00	-	-	16.00
1154	Waterfowl Program	1.00	-	-	1.00
1161	Engineering Water Access	59.55	-	-	59.55
1162	Engineering and Facilities Management	3.00	-	-	3.00
1166	Gamelands Operations and Maintenance	77.26	-	-	77.26
1171	Wildlife Appropriations	-	-	-	-
1181	Habitat Conservation	13.00	-	-	13.00
1191	Outdoor Heritage Advisory Council	-	1.00	-	1.00
Total FTE		**647.81**	**1.00**	**-**	**648.81**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Wildlife Resources Commission					
Budget Code 14350		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Administrative Policy and Regulation	11.00	-	-	11.00
1111	Controller's Office	10.00	-	-	10.00
1112	Customer Support Services	17.00	-	-	17.00
1113	Information Technology	19.00	-	-	19.00
1114	Watercraft Registration and Titling	14.00	-	-	14.00
1115	Purchasing and Distribution	7.00	-	-	7.00
1116	Budget, Planning, and Audit	2.00	-	-	2.00
1117	Human Resources	6.00	-	-	6.00
1121	Enforcement	233.00	-	-	233.00
1131	Wildlife Education	43.00	-	-	43.00
1132	Pisgah Education Center	-	-	-	-
1133	Centennial Education Center	-	-	-	-
1134	Outer Banks Education Center	-	-	-	-
1135	Publications	8.00	-	-	8.00
1141	Inland Fisheries	60.00	-	-	60.00
1142	Habitat Conservation and Aquatic NGME	9.00	-	-	9.00
1151	Wildlife Management	39.00	-	-	39.00
1152	Wildlife Diversity Program	16.00	-	-	16.00
1154	Waterfowl Program	1.00	-	-	1.00
1161	Engineering Water Access	59.55	-	-	59.55
1162	Engineering and Facilities Management	3.00	-	-	3.00
1166	Gamelands Operations and Maintenance	77.26	-	-	77.26
1171	Wildlife Appropriations	-	-	-	-
1181	Habitat Conservation	13.00	-	-	13.00
1191	Outdoor Heritage Advisory Council	-	1.00	-	1.00
Total FTE		**647.81**	**1.00**	**-**	**648.81**

Wildlife Resources Commission

GENERAL FUND

	FY 17-18		FY 18-19	
Recommended Base Budget	**$11,328,209**		**$11,328,209**	
Legislative Changes				
Reserve for Salaries and Benefits				
46 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$137,476	R	$137,476	R
47 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$23,286	R	$108,023	R
48 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$26,645	R	$56,462	R
Outdoor Heritage Advisory Council				
49 Outdoor Heritage Advisory Council Director **Fund Code:** 1191 Establishes a Director for the Outdoor Heritage Advisory Council. The position shall transition to receipt-support beginning in FY 2020-21. The revised net appropriation for the Outdoor Heritage Advisory Council is $112,000 in each year of the biennium.	$112,000 1.00	R	$112,000 1.00	R

	FY 17-18		FY 18-19	
Reserves				
50 **Agency-wide Reduction** **Fund Code:** 1171 Reduces funding for the Wildlife Resources Commission by approximately 8.4%. This reduction is based on positions that have been vacant 12 months or more as of the end of February 2017 and over-realized receipts. The revised net appropriation for the Wildlife Resources Commission including all changes is $10.5 million in each year of the biennium.	($949,565)	R	($949,565)	R
Total Legislative Changes	**($650,158)**	R	**($535,604)**	R
Total Position Changes	1.00		1.00	
Revised Budget	**$10,678,051**		**$10,792,605**	

Department of Commerce
Budget Code 14600

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$197,506,855	$197,506,855
Receipts	$63,091,924	$63,091,924
Net Appropriation	$134,414,931	$134,414,931
Legislative Changes		
Requirements	$16,232,804	$321,729
Receipts	$10,000,000	$0
Net Appropriation	$6,232,804	$321,729
Revised Budget		
Requirements	$213,739,659	$197,828,584
Receipts	$73,091,924	$63,091,924
Net Appropriation	$140,647,735	$134,736,660

General Fund FTE		
Base Budget	332.50	332.50
Legislative Changes	(3.80)	(3.80)
Revised Budget	328.70	328.70

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Commerce		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14600										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Administrative Services	4,626,117	1,920,369	2,705,748	750,000	-	750,000	5,376,117	1,920,369	3,455,748
1113	Science and Technology	332,505	-	332,505	(166,252)	-	(166,252)	166,253	-	166,253
1114	Economic Development Partnership	17,853,551	120,000	17,733,551	4,084,000	-	4,084,000	21,937,551	120,000	21,817,551
1120	Management Information System Division	885,167	-	885,167	-	-	-	885,167	-	885,167
1130	Labor and Economic Analysis	5,341,939	4,578,706	763,233	-	-	-	5,341,939	4,578,706	763,233
1477	NC BRIM - Operating	-	-	-	-	-	-	-	-	-
1520	Commerce Graphics	186,708	99,293	87,415	-	-	-	186,708	99,293	87,415
1531	Business and Industry Development	-	-	-	-	-	-	-	-	-
1533	NC Business Service Center	-	-	-	-	-	-	-	-	-
1534	Rural Economic Development Division	12,838,155	-	12,838,155	2,670,906	-	2,670,906	15,509,061	-	15,509,061
1541	International Trade Division	-	-	-	-	-	-	-	-	-
1551	Travel Inquiry Section	547,343	122,844	424,499	-	-	-	547,343	122,844	424,499
1552	Welcome Centers	2,128,587	-	2,128,587	(127,655)	-	(127,655)	2,000,932	-	2,000,932
1561	Wanchese - Marine Industrial Park	-	-	-	-	-	-	-	-	-
1581	Industrial Finance Center	8,160,402	-	8,160,402	13,760,373	10,000,000	3,760,373	21,920,775	10,000,000	11,920,775
1620	Community Assistance	1,659,207	26,000	1,633,207	1,000,000	-	1,000,000	2,659,207	26,000	2,633,207
1631	Community Development Block Grants	44,223,172	43,620,782	602,390	-	-	-	44,223,172	43,620,782	602,390
1632	Community Assistance - NSP	2,008,908	2,008,908	-	-	-	-	2,008,908	2,008,908	-
1831	Industrial Commission Administration	15,136,653	10,595,022	4,541,631	(46,508)	-	(46,508)	15,090,145	10,595,022	4,495,123
1912	Reserves and Transfers	81,578,441	-	81,578,441	(5,955,688)	-	(5,955,688)	75,622,753	-	75,622,753
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	197,618	-	197,618	197,618	-	197,618
N/A	State Retirement Contributions	-	-	-	32,267	-	32,267	32,267	-	32,267
N/A	State Health Plan Reserve	-	-	-	33,743	-	33,743	33,743	-	33,743
Total		$197,506,855	$63,091,924	$134,414,931	$16,232,804	$10,000,000	$6,232,804	$213,739,659	$73,091,924	$140,647,735

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Commerce		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14600										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Administrative Services	4,626,117	1,920,369	2,705,748	250,000	-	250,000	4,876,117	1,920,369	2,955,748
1113	Science and Technology	332,505	-	332,505	(332,505)	-	(332,505)	-	-	-
1114	Economic Development Partnership	17,853,551	120,000	17,733,551	1,084,000	-	1,084,000	18,937,551	120,000	18,817,551
1120	Management Information System Division	885,167	-	885,167	-	-	-	885,167	-	885,167
1130	Labor and Economic Analysis	5,341,939	4,578,706	763,233	-	-	-	5,341,939	4,578,706	763,233
1477	NC BRIM - Operating	-	-	-	-	-	-	-	-	-
1520	Commerce Graphics	186,708	99,293	87,415	-	-	-	186,708	99,293	87,415
1531	Business and Industry Development	-	-	-	-	-	-	-	-	-
1533	NC Business Service Center	-	-	-	-	-	-	-	-	-
1534	Rural Economic Development Division	12,838,155	-	12,838,155	(89,094)	-	(89,094)	12,749,061	-	12,749,061
1541	International Trade Division	-	-	-	-	-	-	-	-	-
1551	Travel Inquiry Section	547,343	122,844	424,499	-	-	-	547,343	122,844	424,499
1552	Welcome Centers	2,128,587	-	2,128,587	(127,655)	-	(127,655)	2,000,932	-	2,000,932
1561	Wanchese - Marine Industrial Park	-	-	-	-	-	-	-	-	-
1581	Industrial Finance Center	8,160,402	-	8,160,402	-	-	-	8,160,402	-	8,160,402
1620	Community Assistance	1,659,207	26,000	1,633,207	-	-	-	1,659,207	26,000	1,633,207
1631	Community Development Block Grants	44,223,172	43,620,782	602,390	-	-	-	44,223,172	43,620,782	602,390
1632	Community Assistance - NSP	2,008,908	2,008,908	-	-	-	-	2,008,908	2,008,908	-
1831	Industrial Commission Administration	15,136,653	10,595,022	4,541,631	(46,508)	-	(46,508)	15,090,145	10,595,022	4,495,123
1912	Reserves and Transfers	81,578,441	-	81,578,441	(835,315)	-	(835,315)	80,743,126	-	80,743,126
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	197,618	-	197,618	197,618	-	197,618
N/A	State Retirement Contributions	-	-	-	149,685	-	149,685	149,685	-	149,685
N/A	State Health Plan Reserve	-	-	-	71,503	-	71,503	71,503	-	71,503
Total		$197,506,855	$63,091,924	$134,414,931	$321,729	$0	$321,729	$197,828,584	$63,091,924	$134,736,660

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Commerce					
Budget Code 14600		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Administrative Services	39.50	1.00	-	40.50
1113	Science and Technology	2.80	(2.80)	-	-
1114	Economic Development Partnership	-	-	-	-
1120	Management Information System Division	6.00	-	-	6.00
1130	Labor and Economic Analysis	44.00	-	-	44.00
1477	NC BRIM - Operating	-	-	-	-
1520	Commerce Graphics	2.00	-	-	2.00
1531	Business and Industry Development	-	-	-	-
1533	NC Business Service Center	-	-	-	-
1534	Rural Economic Development Division	6.00	(1.00)	-	5.00
1541	International Trade Division	-	-	-	-
1551	Travel Inquiry Section	3.00	-	-	3.00
1552	Welcome Centers	42.50	-	-	42.50
1561	Wanchese - Marine Industrial Park	-	-	-	-
1581	Industrial Finance Center	5.45	-	-	5.45
1620	Community Assistance	18.00	-	-	18.00
1631	Community Development Block Grants	8.00	-	-	8.00
1632	Community Assistance - NSP	3.00	-	-	3.00
1831	Industrial Commission Administration	152.25	(1.00)	-	151.25
1912	Reserves and Transfers	-	-	-	-
Total FTE		**332.50**	**(3.80)**	**-**	**328.70**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Commerce					
Budget Code 14600		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Administrative Services	39.50	1.00	-	40.50
1113	Science and Technology	2.80	(2.80)	-	-
1114	Economic Development Partnership	-	-	-	-
1120	Management Information System Division	6.00	-	-	6.00
1130	Labor and Economic Analysis	44.00	-	-	44.00
1477	NC BRIM - Operating	-	-	-	-
1520	Commerce Graphics	2.00	-	-	2.00
1531	Business and Industry Development	-	-	-	-
1533	NC Business Service Center	-	-	-	-
1534	Rural Economic Development Division	6.00	(1.00)	-	5.00
1541	International Trade Division	-	-	-	-
1551	Travel Inquiry Section	3.00	-	-	3.00
1552	Welcome Centers	42.50	-	-	42.50
1561	Wanchese - Marine Industrial Park	-	-	-	-
1581	Industrial Finance Center	5.45	-	-	5.45
1620	Community Assistance	18.00	-	-	18.00
1631	Community Development Block Grants	8.00	-	-	8.00
1632	Community Assistance - NSP	3.00	-	-	3.00
1831	Industrial Commission Administration	152.25	(1.00)	-	151.25
1912	Reserves and Transfers	-	-	-	-
Total FTE		**332.50**	**(3.80)**	**-**	**328.70**

Commerce

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$134,414,931**		**$134,414,931**	
Legislative Changes				
Reserve for Salaries and Benefits				
51 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$197,618	R	$197,618	R
52 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$32,267	R	$149,685	R
53 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$33,743	R	$71,503	R

	FY 17-18		FY 18-19	
Administration				
54 Outdoor Recreation Recruitment **Fund Code:** 1111 Provides funding for salary and benefits to establish an Outdoor Recreation Recruitment Director position and the operating costs related to this function. This position shall report directly to the Secretary of Commerce and shall work with the Department and other State agencies to promote North Carolina's outdoor recreation economy and to assist in the recruitment of new businesses to the State. The revised net appropriation for this function is $250,000 in each year of the biennium.	$250,000 1.00	R	$250,000 1.00	R
55 Department of Commerce Website **Fund Code:** 1111 Provides funds to contract for the replacement of the current departmental website with a state-of-the-art website. The revised net appropriation for the Administrative Services Division based on all changes is $3.5 million in FY 2017-18 and $3.0 million in FY 2018-19.	$500,000	NR		
Commerce Finance Center				
56 Job Maintenance and Capital (JMAC) Development Fund **Fund Code:** 1581 Provides funds for JMAC payments to Bridgestone, Domtar, Evergreen, and Goodyear. A corresponding item showing the transfer of these funds into the JMAC Fund can be found in the special fund pages. The revised net appropriation for JMAC funds is $8.8 million in FY 2017-18 and $7.5 million in FY 2018-19.	$1,261,405	NR		
57 Site and Building Development Fund **Fund Code:** 1581 Provides funds for the new Site and Building Development Fund, which will support site acquisition and onsite preparation for attracting major manufacturing employers. Funding also includes $10.0 million in receipts transferred from the Industrial Development Fund Utility Account (24609-2568) to this new fund. A corresponding item showing the transfer of these funds from the Utility Account can be found in the special fund pages. Total requirements for this program are $12.5 million in FY 2017-18. The revised net appropriation for the Site and Building Development Fund is $2.5 million in FY 2017-18 only.	$2,498,968	NR		

	FY 17-18		FY 18-19	
Economic Development Partnership of NC (EDPNC)				
58 Tourism Advertising	$1,000,000	R	$1,000,000	R
Fund Code: 1114	$1,000,000	NR		
Provides additional funding to the Economic Development Partnership of North Carolina (EDPNC) for tourism advertising and marketing. In accordance with G.S. 143B-431.01.(b), these funds are restricted to a research-based comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and shall not be used for ancillary activities, such as statewide branding and business development marketing. The revised net appropriation to EDPNC from all changes is $21.8 million in FY 2017-18 and $18.8 million in FY 2018-19.				
59 Domestic and International Advertising				
Fund Code: 1114	$2,000,000	NR		
Provides funds for marketing and advertising of the State to promote economic development, business development, and job recruitment. The revised net appropriation to EDPNC from all changes is $21.8 million in FY 2017-18 and $18.8 million in FY 2018-19.				
60 Access NC Replacement	$84,000	R	$84,000	R
Fund Code: 1114				
Provides funding to support the development and administration of a new tool to replace the buildings and sites database component of Access NC. The revised net appropriation to EDPNC from all changes is $21.8 million in FY 2017-18 and $18.8 million in FY 2018-19.				
Industrial Commission				
61 Vacant Position	($46,508)	R	($46,508)	R
Fund Code: 1831	-1.00		-1.00	
Eliminates the salary and benefits of 1 vacant position that has been vacant for more than 12 months.				
60080769 - Processing Assistant V (1.0 FTE)				
The revised net appropriation for the salaries and benefits of the Industrial Commission is $4.4 million in each year of the biennium.				

	FY 17-18		FY 18-19	
Office of Science, Technology and Innovation				
62 Office of Science, Technology and Innovation Elimination **Fund Code:** 1113	($166,252) -2.80	R	($332,505) -2.80	R

Eliminates the Office of Science, Technology and Innovation, which administers policies and programs relating to the development of next-generation technology companies and the adoption of technology across existing industries. This also eliminates the salaries and benefits of 3 filled positions, effective January 1, 2018, allowing the Office to complete its remaining work.

60081266 - Executive Director (1.0 FTE)
60081265 - Associate Director (1.0 FTE)
60081012 - Administrator (0.8 FTE)

The revised net appropriation for the Office from all changes is $166,253 in FY 2017-18 and $0 in FY 2018-19.

Reserves and Transfers

63 Job Development Investment Grants (JDIG)
Fund Code: 1912 ($4,163,999) NR

Reduces funding for the Job Development Investment Grants (JDIG) Fund based on the Department's assessment of estimated needs for FY 2017-18 and the projected fund balance available to meet these needs. This adjustment does not affect any of the operations of the JDIG Program per Chapter 143B, Part 2G of the North Carolina General Statutes. The revised net appropriation for the JDIG program is $67.6 million in FY 2017-18 and $71.7 million in FY 2018-19.

64 One North Carolina Fund
Fund Code: 1912 ($8,956,374) NR

Reduces funding for the One North Carolina Fund based on the Department's assessment of estimated needs for FY 2017-18 and the projected fund balance available to meet those needs. This adjustment does not affect any of the operations of the One North Carolina Fund per Chapter 143B, Part 2H of the North Carolina General Statutes. The revised net appropriation for the Fund is $43,626 in FY 2017-18 and $9.0 million in FY 2018-19.

	FY 17-18		FY 18-19	
65 Regional Wastewater Funding **Fund Code:** 1912 Provides funds to be used for the construction of public infrastructure and improvements to public wastewater facilities, including pretreatment facilities. These funds are for economic development related to addressing the needs of pharmaceutical, biotech processing, telecommunications, and other industries located in the Johnston County Research and Training Zone established pursuant to Chapter 153A of the General Statutes. The revised net appropriation for the project is $5.0 million.	$5,000,000	NR		
66 International Recruiting Coordination Office **Fund Code:** 1912 Provides funding to support the operations of the International Recruiting Coordination Office (IRCO). These funds, including $250,000 in recurring funds for the Office, shall be transferred to a new fund code unique to the IRCO. The revised net appropriation to the Office is $265,000 in each year of the biennium.	$15,000	R	$15,000	R
67 Lift Fan Facility Project **Fund Code:** 1912 Provides funding for a grant-in-aid to assist with costs related to the Lift Fan Facility at Cherry Point Marine Corps Air Station. The revised net appropriation for the Lift Fan Facility Project is $3.0 million in FY 2017-18 only.	$3,000,000	NR		
Rural Economic Development Division				
68 Vacant Position **Fund Code:** 1534 Eliminates the salary and benefits of 1 vacant position that has been vacant for more than 12 months. 65020258 - Rural Econ. Development Div. Associate (1.0 FTE) The revised net appropriation for the salaries and benefits in this Division is $2.3 million in each year of the biennium.	($89,094) -1.00	R	($89,094) -1.00	R

	FY 17-18		FY 18-19	
69 Downtown Revitalization and Economic Development Grants **Fund Code:** 1534 Provides funding for grants-in-aid for revitalization and economic development projects in municipalities across the State. A corresponding special provision directs the use of these funds. The revised net appropriation for Downtown Revitalization and Economic Development Grants is $2.8 million in FY 2017-18 only.	$2,760,000	NR		
70 Main Street Solutions **Fund Code:** 1620 Provides funds to offer reimbursable matching grants to local governments to assist planning agencies and small businesses with efforts to revitalize downtown areas. A corresponding special provision directs the use of these funds. The revised net appropriation for Main Street Solutions is $1.0 million in FY 2017-18 only.	$1,000,000	NR		
Welcome Centers				
71 Operating Budget **Fund Code:** 1552 Reduces the operating budget for the Welcome Centers Division by 5%. The revised net appropriation to the Division is $2.4 million in each year of the biennium.	($127,655)	R	($127,655)	R
Workforce Solutions				
72 Apprenticeship Program **Fund Code:** 1912 Adjusts the budget to reflect the transfer of the Apprenticeship Program from the Division of Workforce Solutions at the Department of Commerce to the Community College System as a Type I transfer, per G.S. 143A-6. A corresponding item showing the transfer of special funds can be found in the special fund pages. A corresponding special provision provides additional detail. The revised net appropriation for the Apprenticeship Program in the Division of Workforce Solutions is $0 in each year of the biennium.	($850,315)	R	($850,315)	R

	FY 17-18		FY 18-19	
Total Legislative Changes	**$332,804**	**R**	**$321,729**	**R**
	$5,900,000	**NR**		
Total Position Changes	-3.80		-3.80	
Revised Budget	**$140,647,735**		**$134,736,660**	

Commerce - Special Revenue - GF

Budget Code: 24609

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$172,066,460**	**$166,115,886**
Recommended Budget		
Requirements	**$51,491,496**	**$51,491,496**
Receipts	**$55,540,922**	**$55,540,922**
Positions	**3.25**	**3.25**

Legislative Changes

Requirements:

Job Maintenance and Capital Development Fund (JMAC) (2586)	$0 R	$0 R
Adjusts the budget to reflect the increased requirements for FY 2017-18 as estimated by the Department of Commerce.	$1,261,405 NR 0.00	$0 NR 0.00
Industrial Development Fund Utility Account (2568)	$0 R	$0 R
Transfers $10.0 million in FY 2017-18 to the Commerce Finance Center (14600-1581) to be used for the Site and Building Infrastructure Fund.	$10,000,000 NR 0.00	$0 NR 0.00
Subtotal Legislative Changes	**$0** R **$11,261,405** NR 0.00	**$0** R **$0** NR 0.00

Receipts:

Job Maintenance and Capital Development Fund (JMAC) (2586)	$0 R	$0 R
Adjusts the budget to reflect the transfer of increased receipts from the General Fund for FY 2017-18.	$1,261,405 NR	$0 NR
Subtotal Legislative Changes	**$0** R **$1,261,405** NR	**$0** R **$0** NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	**$62,752,901**	**$51,491,496**
Revised Total Receipts	**$56,802,327**	**$55,540,922**
Change in Fund Balance	**($5,950,574)**	**$4,049,426**
Total Positions	**3.25**	**3.25**
Unappropriated Balance Remaining	**$166,115,886**	**$170,165,312**

Commerce - Special - Interest Earning Fund

Budget Code: 24613

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$1,357,963**		**$1,278,509**	
Recommended Budget				
Requirements	**$82,412**		**$82,412**	
Receipts	**$2,958**		**$2,958**	
Positions	**0.50**		**0.50**	
Legislative Changes				
Requirements:				
Main Street Solutions (2622)	$0	R	$0	R
Adjusts the budget to reflect increased requirements in FY 2017-18.	$1,000,000	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$1,000,000	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Main Street Solutions (2622)	$0	R	$0	R
Adjusts the budget to reflect the transfer of $1.0 million from the General Fund in FY 2017-18.	$1,000,000	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$1,000,000	NR	**$0**	NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$1,082,412	$82,412
Revised Total Receipts	$1,002,958	$2,958
Change in Fund Balance	($79,454)	($79,454)
Total Positions	0.50	0.50
Unappropriated Balance Remaining	$1,278,509	$1,199,055

Commerce - Special - Workforce Solutions

Budget Code: 24651

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$2,015,554**	**$2,015,554**
Recommended Budget		
Requirements	**$139,440,750**	**$139,440,750**
Receipts	**$128,917,784**	**$128,917,784**
Positions	**1,026.75**	**1,026.75**

Legislative Changes

Requirements:

Base Budget Technical Adjustment (2001) Reduces the requirements of the Division of Workforce Solutions to align with actual anticipated receipts. This is a technical adjustment.	($10,522,966) R $0 NR 0.00	($10,522,966) R $0 NR 0.00
Apprenticeship (2001) Adjusts the budget to reflect the transfer of the Apprenticeship Program from the Division of Workforce Solutions in the Department of Commerce to the Community College System as a Type I transfer, per G.S. 143A-6. A related item can be found in the General Fund pages that shows the transfer of related funds.	($2,041,785) R $0 NR -17.00	($2,041,785) R $0 NR -17.00
Subtotal Legislative Changes	**($12,564,751)** R **$0** NR -17.00	**($12,564,751)** R **$0** NR -17.00

Receipts:

Apprenticeship (2001) Adjusts the budget to reflect the transfer of the Apprenticeship Program from the Division of Workforce Solutions in the Department of Commerce to the Community College System as a Type I transfer, per G.S. 143A-6. A related item can be found in the General Fund pages that shows the transfer of related funds.	($2,041,785) R $0 NR	($2,041,785) R $0 NR

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	**($2,041,785)** R	**($2,041,785)** R
	$0 NR	**$0** NR
Revised Total Requirements	**$126,875,999**	**$126,875,999**
Revised Total Receipts	**$126,875,999**	**$126,875,999**
Change in Fund Balance	**$0**	**$0**
Total Positions	**1,009.75**	**1,009.75**
Unappropriated Balance Remaining	**$2,015,554**	**$2,015,554**

Commerce State-Aid
Budget Code 14601

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$15,955,810	$15,955,810
Receipts	$0	$0
Net Appropriation	$15,955,810	$15,955,810
Legislative Changes		
Requirements	($680,017)	($780,017)
Receipts	$0	$0
Net Appropriation	($680,017)	($780,017)
Revised Budget		
Requirements	$15,275,793	$15,175,793
Receipts	$0	$0
Net Appropriation	$15,275,793	$15,175,793

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	-	-

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Commerce - State Aid Budget Code 14601		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1121	Biotechnology Center	13,600,338	-	13,600,338	(680,017)	-	(680,017)	12,920,321	-	12,920,321
1913	State Aid to Non-State Entities	2,355,472	-	2,355,472	-	-	-	2,355,472	-	2,355,472
			-							
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		$15,955,810	$0	$15,955,810	($680,017)	$0	($680,017)	$15,275,793	$0	$15,275,793

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Commerce - State Aid Budget Code 14601		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1121	Biotechnology Center	13,600,338	-	13,600,338	(680,017)	-	(680,017)	12,920,321	-	12,920,321
1913	State Aid to Non-State Entities	2,355,472	-	2,355,472	(100,000)	-	(100,000)	2,255,472	-	2,255,472
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		$15,955,810	$0	$15,955,810	($780,017)	$0	($780,017)	$15,175,793	$0	$15,175,793

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Commerce - State Aid					
Budget Code 14601		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1121	Biotechnology Center	-	-	-	-
1913	State Aid to Non-State Entities	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Commerce - State Aid					
Budget Code 14601		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1121	Biotechnology Center	-	-	-	-
1913	State Aid to Non-State Entities	-	-	-	-
Total FTE		-	-	-	-

Commerce - State Aid

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$15,955,810**		**$15,955,810**	
Legislative Changes				
Biotechnology Center				
73 Biotechnology Center **Fund Code:** 1121 Reduces funding to the Biotechnology Center by 5%. The Center works to develop the State's life sciences and biotechnology industries. The revised net appropriation for the Center following this change is $12.9 million in each year of the biennium.	($680,017)	R	($680,017)	R
High Point Market Authority				
74 High Point Market Authority **Fund Code:** 1913 Continues funding for the High Point Market Authority at the same level as FY 2016-17 and makes the funding recurring. These funds support marketing efforts, including the expansion of the Bluedot technology-based smartphone application. The revised net appropriation for the Authority following this change is $1.8 million in each year of the biennium.	$200,000	R	$200,000	R
North Carolina Coastal Federation				
75 Crab Pot Cleanup **Fund Code:** 1913 Continues the Crab Pot Cleanup Program piloted in FY 2016-17. The North Carolina Coastal Federation shall use the funds to contract with commercial fishermen to aid in derelict crab pot cleanup efforts. The Coastal Federation is encouraged to find ways to reuse recovered crab pots. The revised net appropriation to the Coastal Federation is $100,000 in FY 2017-18 only.	$100,000	NR		

	FY 17-18		FY 18-19	
RTI International				
76 **RTI International** **Fund Code:** 1913 Reduces funding to RTI International to the level funded in FY 2014-15. These funds match grants from the U.S. Department of Energy to support energy research. The revised net appropriation for RTI following this change is $500,000 in each year of the biennium.	($300,000)	R	($300,000)	R
Total Legislative Changes	**($780,017)**	**R**	**($780,017)**	**R**
	$100,000	**NR**		
Total Position Changes				
Revised Budget	**$15,275,793**		**$15,175,793**	

Department of Natural and Cultural Resources
Budget Code 14800

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$206,116,340	$206,120,342
Receipts	$39,842,884	$39,842,884
Net Appropriation	$166,273,456	$166,277,458
Legislative Changes		
Requirements	$9,298,604	$7,576,097
Receipts	$227,621	$227,621
Net Appropriation	$9,070,983	$7,348,476
Revised Budget		
Requirements	$215,414,944	$213,696,439
Receipts	$40,070,505	$40,070,505
Net Appropriation	$175,344,439	$173,625,934

General Fund FTE		
Base Budget	1,806.78	1,806.78
Legislative Changes	(2.00)	(2.00)
Revised Budget	1,804.78	1,804.78

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Natural and Cultural Resources		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14800										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Office of the Secretary	3,899,821	250	3,899,571	(197,288)	-	(197,288)	3,702,533	250	3,702,283
1115	LWS-CLEAN WATER MANAGEMENT TRUST	13,835,981	-	13,835,981	3,514,000	-	3,514,000	17,349,981	-	17,349,981
1116	NHP-ADMINISTRATION	755,969	-	755,969	-	-	-	755,969	-	755,969
1120	Administrative Services	6,757,570	80,350	6,677,220	101,895	-	101,895	6,859,465	80,350	6,779,115
1210	Archives and History - Administration	952,570	131,791	820,779	(5,660)	-	(5,660)	946,910	131,791	815,119
1220	Historical Publications	257,430	-	257,430	185,000	-	185,000	442,430	-	442,430
1230	Archives and Records	3,178,425	146,780	3,031,645	-	-	-	3,178,425	146,780	3,031,645
1241	State Historic Sites	7,354,578	620	7,353,958	600,000	-	600,000	7,954,578	620	7,953,958
1242	Tryon Palace - Historic Sites and Gardens	2,956,581	353,587	2,602,994	-	-	-	2,956,581	353,587	2,602,994
1243	State Capitol	338,093	200	337,893	-	-	-	338,093	200	337,893
1245	NC Maritime Museum	1,750,210	-	1,750,210	32,052	-	32,052	1,782,262	-	1,782,262
1250	Historic Preservation	1,358,128	86,905	1,271,223	-	-	-	1,358,128	86,905	1,271,223
1255	Historic Preservation - Federal	978,818	978,818	-	-	-	-	978,818	978,818	-
1260	Office of State Archaeology	1,229,919	113,334	1,116,585	-	-	-	1,229,919	113,334	1,116,585
1290	Western Office	218,418	8,040	210,378	-	-	-	218,418	8,040	210,378
1320	Museum of Art	7,183,024	544,455	6,638,569	206,325	-	206,325	7,389,349	544,455	6,844,894
1330	NC Arts Council	7,364,728	10,711	7,354,017	938,550	-	938,550	8,303,278	10,711	8,292,567
1340	NC Symphony	2,116,589	39,191	2,077,398	350,000	-	350,000	2,466,589	39,191	2,427,398
1355	NC Arts Council - Federal Funds	937,113	937,113	-	-	-	-	937,113	937,113	-
1410	State Library Services	4,592,380	29,181	4,563,199	176,436	-	176,436	4,768,816	29,181	4,739,635
1480	Statewide Library Programs and Grants	15,653,812	-	15,653,812	500,000	-	500,000	16,153,812	-	16,153,812
1495	State Library - Federal	4,313,118	4,313,118	-	-	-	-	4,313,118	4,313,118	-
1500	Museum of History	6,087,695	1,400	6,086,295	-	-	-	6,087,695	1,400	6,086,295
1610	LWS Natural Resource Planning	210,796	210,796	-	-	-	-	210,796	210,796	-
1680	North Carolina Division of Parks and Recreation	56,316,095	8,526,750	47,789,345	112,100	150,000	(37,900)	56,428,195	8,676,750	47,751,445
1760	North Carolina Museum of Natural Science	14,948,200	489,045	14,459,155	(39,040)	-	(39,040)	14,909,160	489,045	14,420,115
1805	North Carolina Zoological Park	20,378,155	9,597,796	10,780,359	(139,017)	-	(139,017)	20,239,138	9,597,796	10,641,342
1855	North Carolina Aquariums Fund	19,970,623	13,021,152	6,949,471	-	77,621	(77,621)	19,970,623	13,098,773	6,871,850
1991	Indirect Reserve	221,501	221,501	-	-	-	-	221,501	221,501	-
1992	Continuation Reserve	-	-	-	-	-	-	-	-	-
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	2,375,084	-	2,375,084	2,375,084	-	2,375,084
N/A	State Retirement Contributions	-	-	-	244,877	-	244,877	244,877	-	244,877
N/A	State Health Plan Reserve	-	-	-	343,290	-	343,290	343,290	-	343,290
Total		$206,116,340	$39,842,884	$166,273,456	$9,298,604	$227,621	$9,070,983	$215,414,944	$40,070,505	$175,344,439

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Natural and Cultural Resources Budget Code 14800		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Office of the Secretary	3,899,821	250	3,899,571	(197,288)	-	(197,288)	3,702,533	250	3,702,283
1115	LWS-CLEAN WATER MANAGEMENT TRUST	13,835,981	-	13,835,981	850,000	-	850,000	14,685,981	-	14,685,981
1116	NHP-ADMINISTRATION	755,969	-	755,969	-	-	-	755,969	-	755,969
1120	Administrative Services	6,757,570	80,350	6,677,220	268,148	-	268,148	7,025,718	80,350	6,945,368
1210	Archives and History - Administration	952,570	131,791	820,779	(5,660)	-	(5,660)	946,910	131,791	815,119
1220	Historical Publications	257,430	-	257,430	185,000	-	185,000	442,430	-	442,430
1230	Archives and Records	3,178,425	146,780	3,031,645	-	-	-	3,178,425	146,780	3,031,645
1241	State Historic Sites	7,354,578	620	7,353,958	600,000	-	600,000	7,954,578	620	7,953,958
1242	Tryon Palace - Historic Sites and Gardens	2,956,581	353,587	2,602,994	-	-	-	2,956,581	353,587	2,602,994
1243	State Capitol	338,093	200	337,893	-	-	-	338,093	200	337,893
1245	NC Maritime Museum	1,750,210	-	1,750,210	32,052	-	32,052	1,782,262	-	1,782,262
1250	Historic Preservation	1,358,128	86,905	1,271,223	-	-	-	1,358,128	86,905	1,271,223
1255	Historic Preservation - Federal	978,818	978,818	-	-	-	-	978,818	978,818	-
1260	Office of State Archaeology	1,229,919	113,334	1,116,585	-	-	-	1,229,919	113,334	1,116,585
1290	Western Office	218,418	8,040	210,378	-	-	-	218,418	8,040	210,378
1320	Museum of Art	7,183,024	544,455	6,638,569	206,325	-	206,325	7,389,349	544,455	6,844,894
1330	NC Arts Council	7,364,728	10,711	7,354,017	938,550	-	938,550	8,303,278	10,711	8,292,567
1340	NC Symphony	2,116,589	39,191	2,077,398	350,000	-	350,000	2,466,589	39,191	2,427,398
1355	NC Arts Council - Federal Funds	937,113	937,113	-	-	-	-	937,113	937,113	-
1410	State Library Services	4,596,382	29,181	4,567,201	176,436	-	176,436	4,772,818	29,181	4,743,637
1480	Statewide Library Programs and Grants	15,653,812	-	15,653,812	-	-	-	15,653,812	-	15,653,812
1495	State Library - Federal	4,313,118	4,313,118	-	-	-	-	4,313,118	4,313,118	-
1500	Museum of History	6,087,695	1,400	6,086,295	-	-	-	6,087,695	1,400	6,086,295
1610	LWS Natural Resource Planning	210,796	210,796	-	-	-	-	210,796	210,796	-
1680	North Carolina Division of Parks and Recreation	56,316,095	8,526,750	47,789,345	112,100	150,000	(37,900)	56,428,195	8,676,750	47,751,445
1760	North Carolina Museum of Natural Science	14,948,200	489,045	14,459,155	(39,040)	-	(39,040)	14,909,160	489,045	14,420,115
1805	North Carolina Zoological Park	20,378,155	9,597,796	10,780,359	(139,017)	-	(139,017)	20,239,138	9,597,796	10,641,342
1855	North Carolina Aquariums Fund	19,970,623	13,021,152	6,949,471	-	77,621	(77,621)	19,970,623	13,098,773	6,871,850
1991	Indirect Reserve	221,501	221,501	-	-	-	-	221,501	221,501	-
1992	Continuation Reserve	-	-	-	-	-	-	-	-	-
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	2,375,084	-	2,375,084	2,375,084	-	2,375,084
N/A	State Retirement Contributions	-	-	-	1,135,958	-	1,135,958	1,135,958	-	1,135,958
N/A	State Health Plan Reserve	-	-	-	727,449	-	727,449	727,449	-	727,449
Total		**$206,120,342**	**$39,842,884**	**$166,277,458**	**$7,576,097**	**$227,621**	**$7,348,476**	**$213,696,439**	**$40,070,505**	**$173,625,934**

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Natural and Cultural Resources					
Budget Code 14800		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Office of the Secretary	46.00	(2.00)	-	44.00
1115	LWS-CLEAN WATER MANAGEMENT TRUST	10.00	-	-	10.00
1116	NHP-ADMINISTRATION	9.10	-	-	9.10
1120	Administrative Services	33.00	-	-	33.00
1210	Archives and History - Administration	11.00	(1.00)	-	10.00
1220	Historical Publications	4.00	2.00	-	6.00
1230	Archives and Records	50.76	-	-	50.76
1241	State Historic Sites	125.80	-	-	125.80
1242	Tryon Palace - Historic Sites and Gardens	44.00	-	-	44.00
1243	State Capitol	6.00	-	-	6.00
1245	NC Maritime Museum	27.00	-	-	27.00
1250	Historic Preservation	18.05	-	-	18.05
1255	Historic Preservation - Federal	10.70	-	-	10.70
1260	Office of State Archaeology	14.76	-	-	14.76
1290	Western Office	2.00	-	-	2.00
1320	Museum of Art	119.30	3.00	-	122.30
1330	NC Arts Council	21.11	(1.00)	-	20.11
1340	NC Symphony	8.01	-	-	8.01
1355	NC Arts Council - Federal Funds	0.79	-	-	0.79
1410	State Library Services	63.00	(1.00)	-	62.00
1480	Statewide Library Programs and Grants	-	-	-	-
1495	State Library - Federal	13.00	-	-	13.00
1500	Museum of History	93.00	-	-	93.00
1610	LWS Natural Resource Planning	2.90			2.90
1680	North Carolina Division of Parks and Recreation	480.50	2.00	-	482.50
1760	North Carolina Museum of Natural Science	152.00	(2.00)	-	150.00
1805	North Carolina Zoological Park	263.25	(2.00)	-	261.25
1855	North Carolina Aquariums Fund	177.75	-	-	177.75
1991	Indirect Reserve	-	-	-	-
1992	Continuation Reserve	-	-	-	-
Total FTE		**1,806.78**	**(2.00)**	**-**	**1,804.78**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Natural and Cultural Resources					
Budget Code 14800		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Office of the Secretary	46.00	(2.00)	-	44.00
1115	LWS-CLEAN WATER MANAGEMENT TRUST	10.00	-	-	10.00
1116	NHP-ADMINISTRATION	9.10	-	-	9.10
1120	Administrative Services	33.00	-	-	33.00
1210	Archives and History - Administration	11.00	(1.00)	-	10.00
1220	Historical Publications	4.00	2.00	-	6.00
1230	Archives and Records	50.76	-	-	50.76
1241	State Historic Sites	125.80	-	-	125.80
1242	Tryon Palace - Historic Sites and Gardens	44.00	-	-	44.00
1243	State Capitol	6.00	-	-	6.00
1245	NC Maritime Museum	27.00	-	-	27.00
1250	Historic Preservation	18.05	-	-	18.05
1255	Historic Preservation - Federal	10.70	-	-	10.70
1260	Office of State Archaeology	14.76	-	-	14.76
1290	Western Office	2.00	-	-	2.00
1320	Museum of Art	119.30	3.00	-	122.30
1330	NC Arts Council	21.11	(1.00)	-	20.11
1340	NC Symphony	8.01	-	-	8.01
1355	NC Arts Council - Federal Funds	0.79	-	-	0.79
1410	State Library Services	63.00	(1.00)	-	62.00
1480	Statewide Library Programs and Grants	-	-	-	-
1495	State Library - Federal	13.00	-	-	13.00
1500	Museum of History	93.00	-	-	93.00
1610	LWS Natural Resource Planning	2.90			2.90
1680	North Carolina Division of Parks and Recreation	480.50	2.00	-	482.50
1760	North Carolina Museum of Natural Science	152.00	(2.00)	-	150.00
1805	North Carolina Zoological Park	263.25	(2.00)	-	261.25
1855	North Carolina Aquariums Fund	177.75	-	-	177.75
1991	Indirect Reserve	-	-	-	-
1992	Continuation Reserve	-	-	-	-
Total FTE		**1,806.78**	**(2.00)**	**-**	**1,804.78**

Natural and Cultural Resources

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$166,273,456**		**$166,277,458**	

Legislative Changes

Reserve for Salaries and Benefits

77 Compensation Increase Reserve $2,375,084 R $2,375,084 R
Fund Code: N/A

Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.

78 State Retirement Contributions $244,877 R $1,135,958 R
Fund Code: N/A

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.

79 State Health Plan $343,290 R $727,449 R
Fund Code: N/A

Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.

	FY 17-18		FY 18-19	
Administrative Services				
80 Vacant Positions **Fund Code:** 1120 Eliminates the salaries and benefits of 2 vacant positions within the Administrative Services Division. 60035496 - Office Assistant III (1.0 FTE) 60083294 - Chief Information Officer (1.0 FTE) As of the end of February 2017, both of these positions had been vacant for over 24 months. The revised net appropriation for salaries and benefits within the Office of the Secretary is $2.8 million in each year of the biennium.	($98,105) -2.00	R	($98,105) -2.00	R
81 Online Credit Card Data Security Compliance **Fund Code:** 1120 Provides funding to strengthen protection of citizen cardholder data. These funds shall be used to conduct risk assessments, audits, and training to meet credit card industry compliance standards. The revised net appropriation for the Administrative Services Division including all changes is $6.8 million in FY 2017-18 and $7.0 million in FY 2018-19.	$200,000 2.00	R	$366,253 2.00	R
Aquariums				
82 Aquariums Management **Fund Code:** 1855 Eliminates the Director of Jennette's Pier and consolidates management of the Pier with the North Carolina Aquarium on Roanoke Island. This position is receipt-supported. The reduction in net appropriation reflects the receipt funds that will made available upon the elimination of this position. 65010297 - Aquarium Director (1.0 FTE) The revised net appropriation for the Aquariums following this reduction is $6.9 million in each year of the biennium.	($77,621)	R	($77,621)	R

	FY 17-18		FY 18-19	
Historical Resources				
83 Digital Historic Publications **Fund Code:** 1220 Provides funding to hire 2 FTE and to support operating expenses for the digitization of historic publications. These funds shall be used to archive and publish online historic colonial and Governors' State records as required by G.S. 121-6. The revised net appropriation for Historical Publications within the Historic Resources Division is $442,430 in each year of the biennium.	$185,000 2.00	R	$185,000 2.00	R
Land and Water Stewardship				
84 Clean Water Management Trust Fund (CWMTF) **Fund Code:** 1115 Provides additional funds to the CWMTF to support grants to address water pollution problems. A corresponding item showing the transfer of these funds into the CWMTF Special Fund can be found in the special fund pages. The revised net appropriation for CWMTF grants is $16.2 million in FY 2017-18 and $13.5 million in FY 2018-19.	$850,000 $2,664,000	R NR	$850,000	R
Museum of Art				
85 Vacant Position **Fund Code:** 1320 Eliminates the salary and benefits of 1 vacant position within the Museum of Art. 60083877 - Program Assistant V (1.0 FTE) As of the end of February 2017, this position had been vacant for approximately 23 months. The revised net appropriation for salaries and benefits within the Museum of Art is $6.3 million in each year of the biennium.	($43,675) -1.00	R	($43,675) -1.00	R
86 Museum Park Operating **Fund Code:** 1320 Provides funds for operating expenses and 4 FTE - 2 Park Ranger and 2 Housekeeper positions - to support the Museum's Art Park. The revised net appropriation for the Museum of Art including all changes is $6.8 million in each year of the biennium.	$250,000 4.00	R	$250,000 4.00	R

	FY 17-18		FY 18-19	
Museum of History				
87 Building and Environmental Services Technician Position **Fund Code:** 1245 Provides funds to increase the salary of the existing Building and Environmental Services Technician position (60083652) at the Graveyard of the Atlantic Museum from $10,738 to $29,949. Funds are provided for the increase in salary as well as payroll-associated benefits and health insurance. The revised net appropriation for this position is $42,790 in each year of the biennium.	$32,052	R	$32,052	R
Museum of Natural Sciences				
88 Vacant Positions **Fund Code:** 1760 Eliminates the salaries and benefits of 2 vacant positions within the Museum of Natural Sciences. 60034988 - Administrative Officer II (1.0 FTE) 60034999 - Accounting Technician (1.0 FTE) As of the end of February 2017, the Administrative Officer position had been vacant for over 24 months, and the Accounting Technician position had been vacant for approximately 12 months. The revised net appropriation for salaries and benefits within the Museum of Natural Sciences is $9.9 million in each year of the biennium.	($139,040) -2.00	R	($139,040) -2.00	R
89 Science Museum Grants **Fund Code:** 1760 Continues funding for the Science Museum Grants at the same level as FY 2016-17 and makes the funding recurring. The revised net appropriation for the Science Museum Grant program is $2.5 million in each year of the biennium.	$100,000	R	$100,000	R

	FY 17-18		FY 18-19	
NC Arts Council				
90 Vacant Position **Fund Code:** 1330 Eliminates the salary and benefits of 1 vacant position within the NC Arts Council. 60035953 - Associate Director, NC AAHC (1.0 FTE) As of the end of February 2017, this position had been vacant for over 22 months. The revised net appropriation for salaries and benefits within the NC Arts Council is $1.5 million for each year of the biennium.	($61,450) -1.00	R	($61,450) -1.00	R
91 Grassroots Arts Grant Program **Fund Code:** 1330 Increases support for the Grassroots Arts Grant Program by $750,000. The revised net appropriation for the Grassroots Art Grant Program is $3.1 million in each year of the biennium.	$750,000	R	$750,000	R
92 Rural Touring Arts Grant Program **Fund Code:** 1330 Creates the Rural Touring Arts Grant Program. This Program will provide grants to arts organizations that are designated as State Arts Resources so that these organizations can increase their reach in Tier 1 and Tier 2 counties. The revised net appropriation for Rural Touring Arts Grant Program grants is $125,000 in both years of the biennium.	$125,000	R	$125,000	R
93 Military and Veterans Healing Arts Grant Program **Fund Code:** 1330 Establishes the Military and Veterans Healing Arts Grant Program. This Program aims to increase access to the arts for North Carolina's service members, veterans, and military families through grants to local arts councils and arts organizations that will partner with military bases, VA hospitals, and veterans service providers. The revised net appropriation for Military and Veterans Healing Arts Grant Program grants is $125,000 in both years of the biennium.	$125,000	R	$125,000	R

	FY 17-18		FY 18-19	
NC Symphony				
94 NC Symphony Funding **Fund Code:** 1340 Provides additional funding for the NC Symphony. Of these funds, $50,000 shall be used to provide access to NC Symphony performances for public schools without transportation. The revised net appropriation for the NC Symphony, excluding any challenge grants, is $2.4 million in each year of the biennium.	$350,000	R	$350,000	R
NC Zoo				
95 Vacant Position **Fund Code:** 1805 Eliminates the salaries and benefits of 2 vacant positions within the NC Zoo. 60033418 - Facility Maintenance Supervisor II (1.0 FTE) 60033248 - Public Relations (1.0 FTE) As of the end of February 2017, the Public Relations position had been vacant for over 24 months, and the Facility Maintenance Supervisor II position had been vacant for over 12 months. The revised net appropriation for salaries and benefits within the NC Zoo is $10.5 million in each year of the biennium.	($139,017) -2.00	R	($139,017) -2.00	R
Office of Archives and History				
96 Vacant Position **Fund Code:** 1210 Eliminates the salary and benefits of 1 vacant position within the Office of Archives and History. 60035958 - Program Administrator (1.0 FTE) As of the end of February 2017, this position had been vacant for over 22 months. The revised net appropriation for salaries and benefits within the Office of Archives and History is $765,503 million for each year of the biennium.	($5,660) -1.00	R	($5,660) -1.00	R

	FY 17-18		FY 18-19	
Office of the Secretary				
97 Vacant Positions **Fund Code:** 1110 Eliminates the salaries and benefits of 2 vacant positions within the Office of the Secretary. 60035501 - Personnel Analyst II (1.0 FTE) 60035976 - Policy Development Analyst (1.0 FTE) As of the end of February 2017, both of these positions had been vacant for over 28 months. The revised net appropriation for salaries and benefits within the Office of the Secretary is $3.6 million in each year of the biennium.	($197,288) -2.00	R	($197,288) -2.00	R
Parks and Recreation				
98 Operating Expenses **Fund Code:** 1680 Adjusts the Division of Parks and Recreation's budget by $150,000 based on projected over-realized receipts. The revised net appropriation for the Division for all adjustments is $47.8 million in each year of the biennium.	($150,000)	R	($150,000)	R
99 New State Park Operating Support **Fund Code:** 1680 Provides funds for 2 Park Ranger positions needed to bring new NC Connect bond-funded State park projects online during FY 2017-18. The revised net appropriation for salaries and benefits in the Division following this expansion is $29.2 million in each year of the biennium.	$112,100 2.00	R	$112,100 2.00	R
State Historic Sites				
100 Maintenance Funds **Fund Code:** 1241 Provides additional maintenance funding for the State Historic Sites. These funds may be transferred to the other two funds within the State Historic Sites Division for maintenance at Tryon Palace and/or the State Capitol as needed. The revised net appropriation for the repair services line items for the State Historic Sites is $550,784 in each year of the biennium.	$500,000	R	$500,000	R

	FY 17-18		FY 18-19	
101 Transportation Museum **Fund Code:** 1241 Continues support for the Transportation Museum on a recurring basis. The Museum received a nonrecurring appropriation of $150,000 in FY 2016-17. The revised net appropriation for the Transportation Museum is $432,409 for each year of the biennium.	$100,000	R	$100,000	R
State Library				
102 Vacant Position **Fund Code:** 1410 Eliminates the salary and benefits of 1 vacant position within the State Library. 60083866 - Processing Assistant III (1.0 FTE) As of the end of February 2017, this position had been vacant for over 12 months. The revised net appropriation for salaries and benefits within the State Library is $4.0 million in each year of the biennium.	($23,564) -1.00	R	($23,564) -1.00	R
103 Statewide Children's Digital Library **Fund Code:** 1410 Continues funding for the Statewide Children's Digital Library at the FY 2016-17 level and makes the funding recurring. The revised net appropriation for the Digital Library is $200,000 in each year of the biennium.	$200,000	R	$200,000	
104 Grants in Aid **Fund Code:** 1480 Increases FY 2017-18 funding for library grants. The revised net appropriation for state-aid to public libraries is $14.7 million in FY 2017-18 and $14.2 million in FY 2018-19.	$500,000	NR		
Total Legislative Changes	**$5,906,983** **$3,164,000**	R NR	**$7,348,476**	R
Total Position Changes	-2.00		-2.00	
Revised Budget	**$175,344,439**		**$173,625,934**	

Clean Water Management Trust Fund

Budget Code: 24818

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$55,957,067**	**$55,957,067**
Recommended Budget		
Requirements	**$17,251,747**	**$17,251,747**
Receipts	**$17,251,747**	**$17,251,747**
Positions	**0.00**	**0.00**

Legislative Changes

Requirements:

Clean Water Management Trust Fund (CWMTF) Grants	$850,000	R	$850,000	R
Adjusts the budget to reflect the transfer of $850,000 in additional funding from the General Fund in each year of the biennium.	$0	NR	$0	NR
	0.00		0.00	
Land Acquisition	$0	R	$0	R
Provides funds for CWMTF to grant $2.7 million for the purchase of 1,100 acres or more of land adjacent to 600 or more acres of gameland purchased in calendar year 2017.	$2,664,000	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$850,000**	R	**$850,000**	R
	$2,664,000	NR	**$0**	NR
	0.00		0.00	

Receipts:

Clean Water Management Trust Fund (CWMTF) Grants	$850,000	R	$850,000	R
Adjusts the budget to reflect the transfer of $850,000 in additional funding from the General Fund in each year of the biennium.	$0	NR	$0	NR

	FY 2017-18		FY 2018-19	
Land Acquisition Provides funds for CWMTF to grant $2.7 million for the purchase of 1,100 acres or more of land adjacent to 600 or more acres of gameland purchased in calendar year 2017.	$0 $2,664,000	R NR	$0 $0	R NR
Subtotal Legislative Changes	**$850,000** **$2,664,000**	R NR	**$850,000** **$0**	R NR
Revised Total Requirements	**$20,765,747**		**$18,101,747**	
Revised Total Receipts	**$20,765,747**		**$18,101,747**	
Change in Fund Balance	**$0**		**$0**	
Total Positions	**0.00**		**0.00**	
Unappropriated Balance Remaining	**$55,957,067**		**$55,957,067**	

Department of Natural and Cultural Resources - Roanoke Island Commission
Budget Code 14802

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$555,571	$555,571
Receipts	$0	$0
Net Appropriation	$555,571	$555,571
Legislative Changes		
Requirements	$0	$0
Receipts	$0	$0
Net Appropriation	$0	$0
Revised Budget		
Requirements	$555,571	$555,571
Receipts	$0	$0
Net Appropriation	$555,571	$555,571

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Natural and Cultural Resources - Roanoke Island Commission		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14802										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1584	Roanoke Island Commission	555,571	-	555,571	-	-	-	555,571	-	555,571
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		$555,571	$0	$555,571	$0	$0	$0	$555,571	$0	$555,571

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Natural and Cultural Resources - Roanoke Island Commission		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14802										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1584	Roanoke Island Commission	555,571	-	555,571	-	-	-	555,571	-	555,571
Undesignated										
N/A	Compensation Increase Reserve	-	-	-	-	-	-	-	-	-
N/A	State Retirement Contributions	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		$555,571	$0	$555,571	$0	$0	$0	$555,571	$0	$555,571

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Natural and Cultural Resources - Roanoke Island Commission					
Budget Code 14802		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1584	Roanoke Island Commission	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Natural and Cultural Resources - Roanoke Island Commission					
Budget Code 14802		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1584	Roanoke Island Commission	-	-	-	-
Total FTE		-	-	-	-

DNCR - Roanoke Island Commission

	GENERAL FUND	
	FY 17-18	FY 18-19
Recommended Base Budget	$555,571	$555,571
Legislative Changes		
105 **No Legislative Changes**		
Fund Code:		
Total Legislative Changes		
Total Position Changes		
Revised Budget	$555,571	$555,571

Justice and Public Safety
Section I

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Department of Public Safety
Budget Code 14550

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$2,154,155,796	$2,154,232,814
Receipts	$218,889,060	$218,889,060
Net Appropriation	$1,935,266,736	$1,935,343,754
Legislative Changes		
Requirements	$32,714,543	$52,369,997
Receipts	($9,040,000)	($9,040,000)
Net Appropriation	$41,754,543	$61,409,997
Revised Budget		
Requirements	$2,186,870,339	$2,206,602,811
Receipts	$209,849,060	$209,849,060
Net Appropriation	$1,977,021,279	$1,996,753,751

General Fund FTE		
Base Budget	24,951.46	24,951.46
Legislative Changes	(264.00)	(246.50)
Revised Budget	24,687.46	24,704.96

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Public Safety Budget Code 14550		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Division of Administration	58,247,650	250,893	57,996,757	2,476,179	-	2,476,179	60,723,829	250,893	60,472,936
1115	Victims Services	10,038,875	3,791,086	6,247,789	-	-	-	10,038,875	3,791,086	6,247,789
1170	Governor's Crime Commission	81,383,983	80,726,020	657,963	250,000	-	250,000	81,633,983	80,726,020	907,963
1200	DJJ Administration	3,197,664	-	3,197,664	-	-	-	3,197,664	-	3,197,664
1210	Youth Detention Center Services	13,360,169	5,835,467	7,524,702	-	-	-	13,360,169	5,835,467	7,524,702
1220	Youth Development Center Services	16,850,321	571,954	16,278,367	-	-	-	16,850,321	571,954	16,278,367
1225	Youth Treatment Services	15,731,349	630	15,730,719	-	-	-	15,731,349	630	15,730,719
1226	Youth Education Services	6,334,596	928,085	5,406,511	-	-	-	6,334,596	928,085	5,406,511
1230	Community Program Services	20,297,422	32	20,297,390	-	-	-	20,297,422	32	20,297,390
1240	JCPC Grants Management System	22,745,217	298,078	22,447,139	-	-	-	22,745,217	298,078	22,447,139
1250	Juvenile Court Services	35,774,518	-	35,774,518	-	-	-	35,774,518	-	35,774,518
1305	Prison Management	13,372,460	-	13,372,460	-	-	-	13,372,460	-	13,372,460
1307	Inmate Construction Program	1,291,442	-	1,291,442	-	-	-	1,291,442	-	1,291,442
1310	Prison Custody and Security	792,813,027	3,890,564	788,922,463	(3,395,943)	-	(3,395,943)	789,417,084	3,890,564	785,526,520
1312	Statewide Misdemeanant Confinement Fund	22,275,000	-	22,275,000	-	-	-	22,275,000	-	22,275,000
1314	Prison Road Squad and Litter Crews	9,550,679	9,040,000	510,679	(9,550,679)	(9,040,000)	(510,679)	-	-	-
1316	Prison Center for Community Transition	513,072	-	513,072	-	-	-	513,072	-	513,072
1320	Prison Food Service and Cleaning	76,787,265	9,776,696	67,010,569	-	-	-	76,787,265	9,776,696	67,010,569
1321	Prison Inmate Clothing and Bedding	17,049,824	-	17,049,824	-	-	-	17,049,824	-	17,049,824
1331	Prison General Health	167,652,075	5,805,277	161,846,798	-	-	-	167,652,075	5,805,277	161,846,798
1332	Prison Mental Health	39,691,852	-	39,691,852	-	-	-	39,691,852	-	39,691,852
1333	Prison Dental Health	12,053,445	-	12,053,445	-	-	-	12,053,445	-	12,053,445
1334	Prison Pharmacy Services	38,550,932	516,774	38,034,158	-	-	-	38,550,932	516,774	38,034,158
1340	Prison Inmate Education	9,471,413	1,196,429	8,274,984	650,000	-	650,000	10,121,413	1,196,429	8,924,984
1345	Prison Corrective Programs	46,674,876	-	46,674,876	-	-	-	46,674,876	-	46,674,876
1347	Prison Work Release	983,806	-	983,806	-	-	-	983,806	-	983,806
1350	ACDP - Administration	479,222	-	479,222	-	-	-	479,222	-	479,222
1352	ACDP - In Prison Treatment	6,404,138	453,248	5,950,890	-	-	-	6,404,138	453,248	5,950,890
1354	ACDP - Community Based Treatment	8,197,992	-	8,197,992	-	-	-	8,197,992	-	8,197,992
1355	DPS Confinement in Response to Violation (CRV)	10,495,134	-	10,495,134	864,681	-	864,681	11,359,815	-	11,359,815
1360	Community Corrections - Management	2,805,360	-	2,805,360	-	-	-	2,805,360	-	2,805,360
1365	Community Corrections - Interstate Compact	707,960	199,845	508,115	-	-	-	707,960	199,845	508,115
1370	Community Corrections - Regular Supervision	165,807,863	-	165,807,863	-	-	-	165,807,863	-	165,807,863
1375	Community Corrections - Community Supervision	12,404,321	-	12,404,321	1,500,000	-	1,500,000	13,904,321	-	13,904,321
1377	Community Corrections - Electronic Monitoring	6,897,677	108,817	6,788,860	-	-	-	6,897,677	108,817	6,788,860
1380	Community Corrections - Judicial Services	12,849,012	-	12,849,012	-	-	-	12,849,012	-	12,849,012
1385	Security Services for ACJJ	5,503,712	-	5,503,712	-	-	-	5,503,712	-	5,503,712
1390	Post-Release Supervision and Parole Commission	2,743,019	-	2,743,019	-	-	-	2,743,019	-	2,743,019
1392	Grievance Resolution Board	497,704	-	497,704	-	-	-	497,704	-	497,704
1399	Division Wide Operations	7,824,950	486,151	7,338,799	-	-	-	7,824,950	486,151	7,338,799
1401	LE - Alcohol Law Enforcement	11,922,555	2,972,606	8,949,949	-	-	-	11,922,555	2,972,606	8,949,949
1402	LE - State Capitol Police	5,187,532	3,333,194	1,854,338	-	-	-	5,187,532	3,333,194	1,854,338

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Public Safety		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14550										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1403	LE - State Highway Patrol	2,757,804	2,757,804	-	-	-	-	2,757,804	2,757,804	-
1408	LE - SHP Missing Persons Administration	108,928	-	108,928	-	-	-	108,928	-	108,928
1410	LE - SHP Aviation Administration	2,400,700	232,926	2,167,774	-	-	-	2,400,700	232,926	2,167,774
1411	LE - SHP Field Administration	213,283,151	3,399,238	209,883,913	(724,424)	-	(724,424)	212,558,727	3,399,238	209,159,489
1414	LE - SHP VIPER Administration	13,428,132	2,469	13,425,663	605,089	-	605,089	14,033,221	2,469	14,030,752
1450	State Bureau of Investigation	48,586,486	13,885,682	34,700,804	-	-	-	48,586,486	13,885,682	34,700,804
1500	EM - EMPG Operations	11,727,133	9,136,874	2,590,259	-	-	-	11,727,133	9,136,874	2,590,259
1501	EM - Planning	2,572,737	2,572,737	-	-	-	-	2,572,737	2,572,737	-
1502	EM - Homeland Security	8,575,948	8,575,948	-	-	-	-	8,575,948	8,575,948	-
1504	EM - Geospatial (GTM)	4,452,394	4,452,394	-	-	-	-	4,452,394	4,452,394	-
1505	EM - Recovery	502,555	502,555	-	-	-	-	502,555	502,555	-
1506	EM - Operations	1,268,855	1,268,855	-	-	-	-	1,268,855	1,268,855	-
1507	EM - CAP	157,349	36	157,313	-	-	-	157,349	36	157,313
1509	EM - Hazard Mitigation - Non-Disaster	10,504,585	10,273,123	231,462	-	-	-	10,504,585	10,273,123	231,462
1511	Geodetic Survey	1,697,072	784,625	912,447	-	-	-	1,697,072	784,625	912,447
1600	National Guard	6,550,051	2,471,992	4,078,059	-	-	-	6,550,051	2,471,992	4,078,059
1601	National Guard - Armory	19,160,817	17,755,149	1,405,668	-	-	-	19,160,817	17,755,149	1,405,668
1602	National Guard - Air	4,763,404	4,300,477	462,927	-	-	-	4,763,404	4,300,477	462,927
1603	National Guard - Youth Programs	8,236,612	6,334,330	1,902,282	-	-	-	8,236,612	6,334,330	1,902,282
Department-wide Items										
	Compensation Reserve				14,401,854	N/A	14,401,854	14,401,854	N/A	14,401,854
	Compensation Reserve - State Agency Teachers				208,550	N/A	208,550	208,550	N/A	208,550
	Correctional Officer Custody-Level Based Pay Adj.				18,400,000	N/A	18,400,000	18,400,000	N/A	18,400,000
	State Retirement Contributions				3,706,800	N/A	3,706,800	3,706,800	N/A	3,706,800
	State Health Plan				5,156,674	N/A	5,156,674	5,156,674	N/A	5,156,674
	Undesignated				(1,834,238)	-	(1,834,238)	(1,834,238)	-	(1,834,238)
Total		**$2,154,155,796**	**$218,889,060**	**$1,935,266,736**	**32,714,543**	**($9,040,000)**	**$41,754,543**	**$2,186,870,339**	**$209,849,060**	**$1,977,021,279**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Public Safety Budget Code 14550		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Division of Administration	58,278,447	250,893	58,027,554	3,560,102	-	3,560,102	61,838,549	250,893	61,587,656
1115	Victims Services	10,038,875	3,791,086	6,247,789	-	-	-	10,038,875	3,791,086	6,247,789
1170	Governor's Crime Commission	81,384,986	80,726,020	658,966	250,000	-	250,000	81,634,986	80,726,020	908,966
1200	DJJ Administration	3,202,872	-	3,202,872	-	-		3,202,872	-	3,202,872
1210	Youth Detention Center Services	13,360,169	5,835,467	7,524,702	-	-	-	13,360,169	5,835,467	7,524,702
1220	Youth Development Center Services	16,850,321	571,954	16,278,367	-	-	-	16,850,321	571,954	16,278,367
1225	Youth Treatment Services	15,731,349	630	15,730,719	-	-	-	15,731,349	630	15,730,719
1226	Youth Education Services	6,334,596	928,085	5,406,511	-	-	-	6,334,596	928,085	5,406,511
1230	Community Program Services	20,297,422	32	20,297,390	-	-	-	20,297,422	32	20,297,390
1240	JCPC Grants Management System	22,745,217	298,078	22,447,139	-	-	-	22,745,217	298,078	22,447,139
1250	Juvenile Court Services	35,774,518	-	35,774,518	-	-	-	35,774,518	-	35,774,518
1305	Prison Management	13,375,385	-	13,375,385	-	-	-	13,375,385	-	13,375,385
1307	Inmate Construction Program	1,292,842	-	1,292,842	-	-	-	1,292,842	-	1,292,842
1310	Prison Custody and Security	792,815,700	3,890,564	788,925,136	(3,395,943)	-	(3,395,943)	789,419,757	3,890,564	785,529,193
1312	Statewide Misdemeanant Confinement Fund	22,275,000	-	22,275,000	-	-		22,275,000	-	22,275,000
1314	Prison Road Squad and Litter Crews	9,550,679	9,040,000	510,679	(9,550,679)	(9,040,000)	(510,679)	-	-	-
1316	Prison Center for Community Transition	513,072	-	513,072	-	-	-	513,072	-	513,072
1320	Prison Food Service and Cleaning	76,787,265	9,776,696	67,010,569	-	-	-	76,787,265	9,776,696	67,010,569
1321	Prison Inmate Clothing and Bedding	17,049,824	-	17,049,824	-	-	-	17,049,824	-	17,049,824
1331	Prison General Health	167,652,075	5,805,277	161,846,798	-	-	-	167,652,075	5,805,277	161,846,798
1332	Prison Mental Health	39,691,852	-	39,691,852	-	-	-	39,691,852	-	39,691,852
1333	Prison Dental Health	12,053,445	-	12,053,445	-	-	-	12,053,445	-	12,053,445
1334	Prison Pharmacy Services	38,550,932	516,774	38,034,158	-	-	-	38,550,932	516,774	38,034,158
1340	Prison Inmate Education	9,471,413	1,196,429	8,274,984	650,000	-	650,000	10,121,413	1,196,429	8,924,984
1345	Prison Corrective Programs	46,674,876	-	46,674,876	-	-	-	46,674,876	-	46,674,876
1347	Prison Work Release	983,806	-	983,806	-	-	-	983,806	-	983,806
1350	ACDP - Administration	479,985	-	479,985	-	-	-	479,985	-	479,985
1352	ACDP - In Prison Treatment	6,404,138	453,248	5,950,890	-	-	-	6,404,138	453,248	5,950,890
1354	ACDP - Community Based Treatment	8,197,992	-	8,197,992	-	-	-	8,197,992	-	8,197,992
1355	DPS Confinement in Response to Violation (CRV)	10,495,134	-	10,495,134	1,221,100	-	1,221,100	11,716,234	-	11,716,234
1360	Community Corrections - Management	2,809,276	-	2,809,276	-	-	-	2,809,276	-	2,809,276
1365	Community Corrections - Interstate Compact	708,897	199,845	509,052	-	-	-	708,897	199,845	509,052
1370	Community Corrections - Regular Supervision	165,810,754	-	165,810,754	-	-	-	165,810,754	-	165,810,754
1375	Community Corrections - Community Supervision	12,404,426	-	12,404,426	1,600,000	-	1,600,000	14,004,426	-	14,004,426
1377	Community Corrections - Electronic Monitoring	6,898,669	108,817	6,789,852	-	-	-	6,898,669	108,817	6,789,852
1380	Community Corrections - Judicial Services	12,849,012	-	12,849,012	-	-	-	12,849,012	-	12,849,012
1385	Security Services for ACJJ	5,506,173	-	5,506,173	-	-	-	5,506,173	-	5,506,173
1390	Post-Release Supervision and Parole Commission	2,747,093	-	2,747,093	-	-	-	2,747,093	-	2,747,093
1392	Grievance Resolution Board	498,654	-	498,654	-	-	-	498,654	-	498,654
1399	Division Wide Operations	7,825,706	486,151	7,339,555	-	-	-	7,825,706	486,151	7,339,555
1401	LE - Alcohol Law Enforcement	11,922,555	2,972,606	8,949,949	-	-	-	11,922,555	2,972,606	8,949,949
1402	LE - State Capitol Police	5,187,532	3,333,194	1,854,338	-	-	-	5,187,532	3,333,194	1,854,338

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Public Safety		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14550										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1403	LE - State Highway Patrol	2,757,804	2,757,804	-	-	-		2,757,804	2,757,804	-
1408	LE - SHP Missing Persons Administration	108,928	-	108,928	-	-	-	108,928	-	108,928
1410	LE - SHP Aviation Administration	2,400,700	232,926	2,167,774	-	-	-	2,400,700	232,926	2,167,774
1411	LE - SHP Field Administration	213,283,151	3,399,238	209,883,913	(1,438,166)	-	(1,438,166)	211,844,985	3,399,238	208,445,747
1414	LE - SHP VIPER Administration	13,432,526	2,469	13,430,057	678,077	-	678,077	14,110,603	2,469	14,108,134
1450	State Bureau of Investigation	48,597,259	13,885,682	34,711,577	-	-	-	48,597,259	13,885,682	34,711,577
1500	EM - EMPG Operations	11,727,133	9,136,874	2,590,259	-	-	-	11,727,133	9,136,874	2,590,259
1501	EM - Planning	2,572,737	2,572,737	-	-	-	-	2,572,737	2,572,737	-
1502	EM - Homeland Security	8,575,948	8,575,948	-	-	-	-	8,575,948	8,575,948	-
1504	EM - Geospatial (GTM)	4,452,394	4,452,394	-	-	-	-	4,452,394	4,452,394	-
1505	EM - Recovery	502,555	502,555	-	-	-	-	502,555	502,555	-
1506	EM - Operations	1,268,855	1,268,855	-	-	-	-	1,268,855	1,268,855	-
1507	EM - CAP	157,349	36	157,313	-	-	-	157,349	36	157,313
1509	EM - Hazard Mitigation - Non-Disaster	10,504,585	10,273,123	231,462	-	-	-	10,504,585	10,273,123	231,462
1511	Geodetic Survey	1,697,072	784,625	912,447	-	-	-	1,697,072	784,625	912,447
1600	National Guard	6,550,051	2,471,992	4,078,059	-	-	-	6,550,051	2,471,992	4,078,059
1601	National Guard - Armory	19,160,817	17,755,149	1,405,668	-	-	-	19,160,817	17,755,149	1,405,668
1602	National Guard - Air	4,763,404	4,300,477	462,927	-	-	-	4,763,404	4,300,477	462,927
1603	National Guard - Youth Programs	8,236,612	6,334,330	1,902,282	-	-	-	8,236,612	6,334,330	1,902,282
Department-wide Items										
	Compensation Reserve				14,401,854	N/A	14,401,854	14,401,854	N/A	14,401,854
	Compensation Reserve - State Agency Teachers				535,231	N/A	535,231	535,231	N/A	535,231
	Correctional Officer Custody-Level Based Pay Adj.				18,400,000	N/A	18,400,000	18,400,000	N/A	18,400,000
	State Retirement Contributions				17,195,433	N/A	17,195,433	17,195,433	N/A	17,195,433
	State Health Plan				10,927,238	N/A	10,927,238	10,927,238	N/A	10,927,238
	Undesignated				(2,664,250)	-	(2,664,250)	(2,664,250)	-	(2,664,250)
Total		**$2,154,232,814**	**$218,889,060**	**$1,935,343,754**	**$52,369,997**	**($9,040,000)**	**$61,409,997**	**$2,206,602,811**	**$209,849,060**	**$1,996,753,751**

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Public Safety					
Budget Code 14550		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Division of Administration	581.54	(2.00)	-	579.54
1115	Victims Services	18.50	-	-	18.50
1170	Governor's Crime Commission	25.00	-	-	25.00
1200	DJJ Administration	52.50	-	-	52.50
1210	Youth Detention Center Services	174.50	-	-	174.50
1220	Youth Development Center Services	232.00	-	-	232.00
1225	Youth Treatment Services	220.00	-	-	220.00
1226	Youth Education Services	69.00	-	-	69.00
1230	Community Program Services	23.00	-	-	23.00
1240	JCPC Grants Management System	-	-	-	-
1250	Juvenile Court Services	532.75	-	-	532.75
1305	Prison Management	172.64	-	-	172.64
1307	Inmate Construction Program	4.00	-	-	4.00
1310	Prison Custody and Security	12,701.48	(69.00)	-	12,632.48
1314	Prison Road Squad and Litter Crews	183.00		(183.00)	-
1316	Prison Center for Community Transition	-	-	-	-
1320	Prison Food Service and Cleaning	481.00	-	-	481.00
1321	Prison Inmate Clothing and Bedding	-	-	-	-
1331	Prison General Health	1,343.00	(196.00)	-	1,147.00
1332	Prison Mental Health	487.00	-	-	487.00
1333	Prison Dental Health	106.00	-	-	106.00
1334	Prison Pharmacy Services	80.50	-	-	80.50
1340	Prison Inmate Education	56.00	-	-	56.00
1345	Prison Corrective Programs	896.11	-	-	896.11
1347	Prison Work Release	18.36	-	-	18.36
1350	ACDP - Administration	4.21	-	-	4.21
1352	ACDP - In Prison Treatment	94.00	-	-	94.00
1354	ACDP - Community Based Treatment	116.00	-	-	116.00
1355	DPS Confinement in Response to Violation (CRV)	121.00	-	-	121.00
1360	Community Corrections - Management	32.30	-	-	32.30
1365	Community Corrections - Interstate Compact	10.00	-	-	10.00
1370	Community Corrections - Regular Supervision	2,409.00	-	-	2,409.00
1375	Community Corrections - Community Supervision	4.50	-	-	4.50
1377	Community Corrections - Electronic Monitoring	6.00	-	-	6.00
1380	Community Corrections - Judicial Services	240.00	-	-	240.00
1385	Security Services for ACJJ	72.10	-	-	72.10
1390	Post-Release Supervision and Parole Commission	33.00	-	-	33.00
1392	Grievance Resolution Board	5.00	-	-	5.00
1399	Division Wide Operations	103.00	-	-	103.00
1401	LE - Alcohol Law Enforcement	122.00	-	-	122.00
1402	LE - State Capitol Police	92.00	-	-	92.00
1403	LE - State Highway Patrol	10.00	-	-	10.00
1408	LE - SHP Missing Persons Administration	1.00	-	-	1.00
1410	LE - SHP Aviation Administration	12.00	-	-	12.00
1411	LE - SHP Field Administration	2,089.00	8.00	-	2,097.00
1414	LE - SHP VIPER Administration	52.00	-	-	52.00
1450	State Bureau of Investigation	446.00	(5.00)	-	441.00
1500	EM - EMPG Operations	75.59	-	-	75.59
1501	EM - Planning	23.20	-	-	23.20
1502	EM - Homeland Security	13.09	-	-	13.09
1504	EM - Geospatial (GTM)	29.71	-	-	29.71
1505	EM - Recovery	8.13	-	-	8.13
1506	EM - Operations	6.03	-	-	6.03
1507	EM - CAP	1.84	-	-	1.84

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Public Safety Budget Code 14550		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1509	EM - Hazard Mitigation - Non-Disaster	2.80	-	-	2.80
1511	Geodetic Survey	17.68	-	-	17.68
1600	National Guard	26.00	-	-	26.00
1601	National Guard - Armory	55.40	-	-	55.40
1602	National Guard - Air	48.00	-	-	48.00
1603	National Guard - Youth Programs	112.00	-	-	112.00
			-	-	-
Total FTE		**24,951.46**	**(264.00)**	**(183.00)**	**24,504.46**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Public Safety					
Budget Code 14550		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Division of Administration	581.54	14.00	-	595.54
1115	Victims Services	18.50	-	-	18.50
1170	Governor's Crime Commission	25.00	-	-	25.00
1200	DJJ Administration	52.50	-	-	52.50
1210	Youth Detention Center Services	174.50	-	-	174.50
1220	Youth Development Center Services	232.00	-	-	232.00
1225	Youth Treatment Services	220.00	-	-	220.00
1226	Youth Education Services	69.00	-	-	69.00
1230	Community Program Services	23.00	-	-	23.00
1240	JCPC Grants Management System	-	-	-	-
1250	Juvenile Court Services	532.75	-	-	532.75
1305	Prison Management	172.64	-	-	172.64
1307	Inmate Construction Program	4.00	-	-	4.00
1310	Prison Custody and Security	12,701.48	(69.00)	-	12,632.48
1314	Prison Road Squad and Litter Crews	183.00	-	-	183.00
1316	Prison Center for Community Transition	-	-	-	-
1320	Prison Food Service and Cleaning	481.00	-	-	481.00
1321	Prison Inmate Clothing and Bedding	-	-	-	-
1331	Prison General Health	1,343.00	(196.00)	-	1,147.00
1332	Prison Mental Health	487.00	-	-	487.00
1333	Prison Dental Health	106.00	-	-	106.00
1334	Prison Pharmacy Services	80.50	-	-	80.50
1340	Prison Inmate Education	56.00	-	-	56.00
1345	Prison Corrective Programs	896.11	-	-	896.11
1347	Prison Work Release	18.36	-	-	18.36
1350	ACDP - Administration	4.21	-	-	4.21
1352	ACDP - In Prison Treatment	94.00	-	-	94.00
1354	ACDP - Community Based Treatment	116.00	-	-	116.00
1355	DPS Confinement in Response to Violation (CRV)	121.00	-	-	121.00
1360	Community Corrections - Management	32.30	-	-	32.30
1365	Community Corrections - Interstate Compact	10.00	-	-	10.00
1370	Community Corrections - Regular Supervision	2,409.00	-	-	2,409.00
1375	Community Corrections - Community Supervision	4.50	-	-	4.50
1377	Community Corrections - Electronic Monitoring	6.00	-	-	6.00
1380	Community Corrections - Judicial Services	240.00	-	-	240.00
1385	Security Services for ACJJ	72.10	-	-	72.10
1390	Post-Release Supervision and Parole Commission	33.00	-	-	33.00
1392	Grievance Resolution Board	5.00	-	-	5.00
1399	Division Wide Operations	103.00	-	-	103.00
1401	LE - Alcohol Law Enforcement	122.00	-	-	122.00
1402	LE - State Capitol Police	92.00	-	-	92.00
1403	LE - State Highway Patrol	10.00	-	-	10.00
1408	LE - SHP Missing Persons Administration	1.00	-	-	1.00
1410	LE - SHP Aviation Administration	12.00	-	-	12.00
1411	LE - SHP Field Administration	2,089.00	8.00	-	2,097.00
1414	LE - SHP VIPER Administration	52.00	-	-	52.00
1450	State Bureau of Investigation	446.00	(5.00)	-	441.00
1500	EM - EMPG Operations	75.59	-	-	75.59
1501	EM - Planning	23.20	-	-	23.20
1502	EM - Homeland Security	13.09	-	-	13.09
1504	EM - Geospatial (GTM)	29.71	-	-	29.71
1505	EM - Recovery	8.13	-	-	8.13
1506	EM - Operations	6.03	-	-	6.03
1507	EM - CAP	1.84	-	-	1.84

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Public Safety Budget Code 14550		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1509	EM - Hazard Mitigation - Non-Disaster	2.80	-	-	2.80
1511	Geodetic Survey	17.68	-	-	17.68
1600	National Guard	26.00	-	-	26.00
1601	National Guard - Armory	55.40	1.50	1.50	58.40
1602	National Guard - Air	48.00	-	-	48.00
1603	National Guard - Youth Programs	112.00	-		112.00
			-	-	-
Total FTE		24,951.46	(246.50)	1.50	24,706.46

Public Safety

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$1,935,266,736**		**$1,935,343,754**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
1 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$14,401,854	R	$14,401,854	R
2 Compensation Increase Reserve - State Agency Teachers/School Based Administrators **Fund Code:** N/A Provides funding for salary increases provided to educators paid in accordance with the teacher salary schedule. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$208,550	R	$535,231	R
3 Correctional Officer Custody-Level Based Pay Adjustment **Fund Code:** N/A Provides funding to complete the third and final phase of custody-level pay adjustments for Correctional Officers, Custody Supervisors, and Prison Facility Administrators started in FY 2015-16. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$18,400,000	R	$18,400,000	R
4 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$3,706,800	R	$17,195,433	R

	FY 17-18		FY 18-19	
5 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$5,156,674	R	$10,927,238	R

B. Administration

6 Vacant Position Elimination **Fund Code:** 1100 Eliminates 6 positions that have been vacant for 12 months or more. The following positions are eliminated:	($454,070) -6.00	R	($454,070) -6.00	R

Position	Title	Total Position Cost
60056082	Safety Consultant II	$ 81,790
60069032	Boiler Operator	$ 43,349
60056452	Payroll Clerk V	$ 47,992
60056154	Business Systems Mgr	$107,023
60056159	Analyst	$109,802
65000704	Tech. Support Tech.	$ 64,114

7 Samarcand Phase II Operating Cost **Fund Code:** 1100 Provides operating funds for Phase II of the Samarcand Training Academy. The revised net appropriation for the Samarcand Training Academy is $3,995,907 in FY 2017-18 and $3,883,226 in FY 2018-19.	$1,936,279 $539,900 4.00	R NR	$2,363,498 6.00	R
8 Information Technology (IT) Security Assessments **Fund Code:** 1100 Provides funds to allow the Department to contract with an outside vendor to conduct IT security assessments as required by G.S. 143B-1376.	$454,070	R	$454,070	R
9 Opioid Pilot Project **Fund Code:** 1170 Provides funds for the Department, in conjunction with the City of Wilmington, to develop and implement a pilot project to establish a Quick Response Team to address the needs of opiate and heroin overdose victims who are not getting follow-up treatment. The revised net appropriation for the Governor's Crime Commission is $907,963 in FY 2017-18 and $908,966 in FY 2018-19.	$250,000	NR	$250,000	NR

	FY 17-18		FY 18-19	
10 Reserve for Separate Administrations **Fund Code:** 1100 Creates a reserve for the creation of new administrative positions that will be necessary when the Division of Adult Correction and Juvenile Justice is established as a separate agency on July 1, 2018. Funds are provided to create a budget director, a human resources director, a chief information officer, and a controller. In addition, funds are provided to transition the chief deputy secretary for adult correction and juvenile justice position to a secretary position.			$562,655 4.00	R
11 Adult Correction and Juvenile Justice Human Resources Positions **Fund Code:** 1100 Provides funding to create 10 new human resources positions in the new Department of Adult Correction and Juvenile Justice.			$633,949 10.00	R
C. Law Enforcement				
12 Salary Reserve **Fund Code:** 1411 Budgets State Highway Patrol (SHP) positions at actual salary levels, reducing the salary reserve.	($1,157,738)	R	($1,871,480)	R
13 SHP Telecommunicator Positions **Fund Code:** 1411 Creates 8 new telecommunicator positions in the State Highway Patrol.	$433,314 8.00	R	$433,314 8.00	R
14 SHP VIPER Operating Costs **Fund Code:** 1414 Provides additional operating funds for the 19 new VIPER towers built since FY 2013-14. Funds are provided for insurance ($75,302 in the first year, $94,496 in the second), utilities ($139,637 in the first year, increasing to $175,231 in the second) and fuel ($7,650 in the first year, $9,600 in the second) for the new sites. In addition, $382,500 in the first year and $398,750 in the second year is provided to repair or replace tower lighting systems. The revised net appropriation for VIPER is $14,030,752 in FY 2017-18 and $14,108,134 in FY 2018-19.	$605,089	R	$678,077	R

	FY 17-18		FY 18-19	
15 SBI Vacant Position Elimination **Fund Code:** 1450 Eliminates 5 positions in the State Bureau of Investigation (SBI) that have been vacant for 12 months or longer. The following positions are eliminated:	($250,537) -5.00	R	($250,537) -5.00	R

Position	Title	Total Position Cost
60010602	Administrative Assist.	$55,327
60010792	Processing Assist. V	$52,567
60011136	Processing Assist. IV	$46,331
60011158	Processing Assist. V	$45,819
60011054	Admin. Secretary II	$50,494

16 Salary Reserve **Fund Code:** 1450 Budgets State Bureau of Investigation positions at actual salary levels, reducing the salary reserve.	($249,463)	R	($249,463)	R
17 SBI Special Investigative Funds **Fund Code:** 1450 Increases funding for special investigative purposes, including undercover drug purchases and telephone records related to criminal investigations. The revised net appropriation for special investigative funds is $870,469 in each year of the biennium.	$500,000	R	$500,000	R
D. Adult Correction and Juvenile Justice				
18 Salary Reserve **Fund Code:** Budgets positions at actual salary levels, reducing the salary reserve.	($1,834,238)	R	($2,664,250)	R
19 Vacant Positions **Fund Code:** 1310 Eliminates 69 positions throughout the Division of Adult Correction that have been vacant one year or longer.	($3,395,943) -69.00	R	($3,395,943) -69.00	R

	FY 17-18		FY 18-19	
20 Litter Crews and Road Squads **Fund Code:** 1314 Eliminates the budget for Litter Crews and Road Squads. This program was funded by receipts from the Department of Transportation (DOT). DOT will no longer be supporting the program. 183 receipt-supported positions are eliminated. The total requirements for the program were $9,550,679, including $9,040,000 in receipts from DOT and $510,679 net General Fund appropriation. The revised net General Fund appropriation for this program is $0 in both years.	($510,679)	R	($510,679)	R
21 Vacant Nursing Positions **Fund Code:** 1331 Eliminates vacant nursing positions, redirecting the funds to temporary contract nurses. The Department has difficulty recruiting and retaining nursing positions and relies on temporary nursing services to fill gaps.	($14,759,413) -196.00	R	($14,759,413) -196.00	R
22 Temporary Nursing Services **Fund Code:** 1331 Provides funding to contract for temporary nursing services with third-party providers. There is currently no base budget funding for contract nursing. The revised net appropriation for temporary nursing services is $14,759,413 in each year of the biennium.	$14,759,413	R	$14,759,413	R
23 Community College Recidivism Pilot Project **Fund Code:** 1340 Funds a joint pilot project between Pamlico Community College and Pamlico Correctional Institution to reduce recidivism among offenders. The pilot project will serve 60 inmates in FY 2017-18 and 100 inmates FY 2018-19. The revised net appropriation for the Inmate Education Program is $10,121,413 in each year of the biennium, a 7.3% increase over the base budget.	$650,000	R	$650,000	R
24 Female Confinement in Response to Violation (CRV) Facility **Fund Code:** 1355 Provides funding for a 200-bed facility dedicated to housing female offenders who have violated the terms of their probation and are subject to a mandatory 90-day sentence as directed by the Justice Reinvestment Act. The facility will be located adjacent to the Swannanoa Correctional Center for Women in Buncombe County. The revised net appropriation for CRV facilities is $11,359,815 in FY 2017-18, a 7.6% increase over the base budget and $11,716,234 in FY 2018-19, a 10.4% increase over the base budget.	$611,927 $252,754	R NR	$1,221,100	R

	FY 17-18		FY 18-19	
25 Reentry Services **Fund Code:** 1375 Provides additional funds to contract for reentry services to help reintegrate former inmates into the community. The revised net appropriation for Community Services Programs is $13,904,321 in FY 2017-18, a 10.8% increase over the base budget, and $14,004,426 in FY 2018-19, a 11.4% increase over the base budget.	$500,000	R	$600,000	R
26 Transitional Housing **Fund Code:** 1375 Provides $1 million to expand transitional housing for offenders returning to the community after incarceration. Current funding allows for only 90 days of housing. These funds will allow offenders up to 180 days and reduce the number of offenders on the waiting list. The revised net appropriation for Community Services Programs is $13,904,321 in FY 2017-18, a 10.8% increase over the base budget, and $14,004,426 in FY 2018-19, a 11.4% increase over the base budget.	$1,000,000	R	$1,000,000	R
F. Emergency Management and National Guard				
27 Salary Reserve **Fund Code:** 1601 Budgets National Guard positions at actual salary levels, reducing the salary reserve.			($39,244)	R
28 Morganton Readiness Center **Fund Code:** 1601 Provides funding for 3 positions (Grounds Worker, HVAC Tech/Team Lead, and Maintenance Mechanic) to support operations at the Morganton Readiness Center in advance of the facility's scheduled Fall 2020 opening. The full cost of these positions is evenly split between the federal and State governments. These positions are established January 1, 2019. The annualized cost to the State for these positions is $78,488.			$39,244 1.50	R
Total Legislative Changes	**$40,711,889**	R	**$61,159,997**	R
	$1,042,654	NR	**$250,000**	NR
Total Position Changes	-264.00		-246.50	
Revised Budget	**$1,977,021,279**		**$1,996,753,751**	

Department of Justice
Budget Code 13600

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$88,738,859	$88,741,127
Receipts	$33,945,000	$33,945,000
Net Appropriation	$54,793,859	$54,796,127
Legislative Changes		
Requirements	$559,264	$1,097,960
Receipts	($550,989)	($550,989)
Net Appropriation	$1,110,253	$1,648,949
Revised Budget		
Requirements	$89,298,123	$89,839,087
Receipts	$33,394,011	$33,394,011
Net Appropriation	$55,904,112	$56,445,076

General Fund FTE		
Base Budget	812.89	812.89
Legislative Changes	4.50	4.50
Revised Budget	817.39	817.39

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Justice Budget Code 13600		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	General Administration	2,353,280	-	2,353,280	(40,274)	-	(40,274)	2,313,006	-	2,313,006
1200	Legal Services	54,128,064	29,157,285	24,970,779	(340,864)	-	(340,864)	53,787,200	29,157,285	24,629,915
1400	State Crime Laboratory	20,325,201	1,765,956	18,559,245	105,756	(550,989)	656,745	20,430,957	1,214,967	19,215,990
1500	Criminal Justice Training and Standards	11,514,180	2,603,625	8,910,555	(156,272)	-	(156,272)	11,357,908	2,603,625	8,754,283
1991	Indirect Reserve	418,134	418,134	-	-	-	-	418,134	418,134	-
Department-wide Items										
	Compensation Reserve				741,064	N/A	741,064	741,064	N/A	741,064
	State Retirement Contributions				130,435	N/A	130,435	130,435	N/A	130,435
	State Health Plan				119,419	N/A	119,419	119,419	N/A	119,419
Total		$88,738,859	$33,945,000	$54,793,859	$559,264	($550,989)	$1,110,253	$89,298,123	$33,394,011	$55,904,112

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Justice Budget Code 13600		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	General Administration	2,353,280	-	2,353,280	(40,274)	-	(40,274)	2,313,006	-	2,313,006
1200	Legal Services	54,128,064	29,157,285	24,970,779	(410,440)	-	(410,440)	53,717,624	29,157,285	24,560,339
1400	State Crime Laboratory	20,325,201	1,765,956	18,559,245	105,756	(550,989)	656,745	20,430,957	1,214,967	19,215,990
1500	Criminal Justice Training and Standards	11,516,448	2,603,625	8,912,823	(156,272)	-	(156,272)	11,360,176	2,603,625	8,756,551
1991	Indirect Reserve	418,134	418,134	-	-	-	-	418,134	418,134	-
Department-wide Items										
	Compensation Reserve				741,064	N/A	741,064	741,064	N/A	741,064
	State Retirement Contributions				605,072	N/A	605,072	605,072	N/A	605,072
	State Health Plan				253,054	N/A	253,054	253,054	N/A	253,054
Total		$88,741,127	$33,945,000	$54,796,127	$1,097,960	($550,989)	$1,648,949	$89,839,087	$33,394,011	$56,445,076

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Justice Budget Code 13600		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	General Administration	24.00	-	-	24.00
1200	Legal Services	432.89	(4.00)	-	428.89
1400	State Crime Laboratory	218.00	9.00	(8.00)	219.00
1500	Criminal Justice Training and Standards	134.00	(0.50)	-	133.50
1991	Indirect Reserve	4.00	-	-	4.00
Total FTE		**812.89**	**4.50**	**(8.00)**	**809.39**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Justice Budget Code 13600		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	General Administration	24.00	-	-	24.00
1200	Legal Services	432.89	(4.00)	-	428.89
1400	State Crime Laboratory	218.00	9.00	(8.00)	219.00
1500	Criminal Justice Training and Standards	134.00	(0.50)	-	133.50
1991	Indirect Reserve	4.00	-	-	4.00
Total FTE		**812.89**	**4.50**	**(8.00)**	**809.39**

Justice

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$54,793,859**		**$54,796,127**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
29 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$741,064	R	$741,064	R
30 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$130,435	R	$605,072	R
31 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$119,419	R	$253,054	R
B. Administration				
32 Salary Reserve **Fund Code:** 1100 Budgets Administrative positions at actual salary levels, reducing the salary reserve.	($40,274)	R	($40,274)	R

	FY 17-18		FY 18-19	
C. Legal Services				
33 Vacant Position Elimination **Fund Code:** 1200 Eliminates positions in the Legal Services Division that have been vacant for 9 months or longer: 3 partially receipt-supported program assistants (60010501, 60010273,60010370) for a total of 1.25 FTE; 3 partially receipt-supported Medicaid fraud investigators (60010517, 60010492, 60010472) for a total of 0.75 FTE; 1 full-time paralegal II (60010575); and 1 full-time tort claims investigator (60010585).	($248,083) -4.00	R	($248,083) -4.00	R
34 Salary Reserve **Fund Code:** 1200 Budgets legal services positions at actual salary levels, reducing the salary reserve.	($162,357)	R	($162,357)	R
35 Human Trafficking Awareness Signs **Fund Code:** 1200 Provides funding for the Human Trafficking Commission to design, create, and distribute 21,084 human trafficking awareness signs to hospitals, travel centers, adult establishments, Job Link centers, massage and bodywork therapy centers, and ABC permitted establishments throughout the State.	$69,576	NR		
D. State Crime Laboratory				
36 Salary Reserve **Fund Code:** 1400 Budgets State Crime Lab positions at actual salary levels, reducing the salary reserve.	($239,917)	R	($239,917)	R
37 State Crime Laboratory Receipt Supported Positions **Fund Code:** 1400 Transitions 8 receipt supported positions in the State Crime Lab to General Fund support. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is $19,215,990, in each year of the biennium, a 3.42% increase over the base budget.	$550,989 8.00	R	$550,989 8.00	R

	FY 17-18		FY 18-19	
38 State Crime Laboratory Ombudsman **Fund Code:** 1400 Transitions a contractual Ombudsman employee into a State full-time equivalent position. This position was required by S.L. 2011-19, The Forensic Sciences Act of 2011, but funding was never appropriated. The State Crime Laboratory had been contracting for ombudsman services using lapsed salary funds. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is $19,215,990, in each year of the biennium, a 3.42% increase over the base budget.	$115,518 1.00	R	$115,518 1.00	R
39 Scientist Training and Certification **Fund Code:** 1400 Provides funds for forensic scientist training and certification required by S.L. 2011-19, The Forensic Sciences Act of 2011. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is $19,215,990, in each year of the biennium, a 3.42% increase over the base budget.	$161,000	R	$161,000	R
40 Forensic Science Advisory Board Travel **Fund Code:** 1400 Provides travel funds for the Forensic Science Advisory Board created by S.L. 2011-19, The Forensic Sciences Act of 2011. Many of the Board members are from other states and must be reimbursed for travel to NC to attend meetings. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is $19,215,990, in each year of the biennium, a 3.42% increase over the base budget.	$18,000	R	$18,000	R
41 State Crime Laboratory Accreditation **Fund Code:** 1400 Provides funds for accreditation of the Laboratory by an internationally recognized accrediting body as required by S.L. 2011-19, The Forensic Sciences Act of 2011. The revised net appropriation for the State Crime Laboratory after all of the changes in this section is $19,215,990, in each year of the biennium, a 3.42% increase over the base budget.	$51,155	R	$51,155	R
E. Criminal Justice Training and Standards				
42 Vacant Position Elimination **Fund Code:** 1500 Eliminates a business and technology application specialist position (60011250) that has been vacant for more than 11 months.	($138,625) -1.00	R	($138,625) -1.00	R

Senate Appropriations Committee on Justice and Public Safety	FY 17-18		FY 18-19	
43 Salary Reserve **Fund Code:** 1500 Budgets positions at actual salary levels, reducing the salary reserve.	($49,557)	R	($49,557)	R
44 Standards Commission Processing Assistant **Fund Code:** 1500 Provides funding for salary and benefits and operating costs for a part-time processing assistant to address the increasing workload for company police certifications. The revised net appropriation for the Criminal Justice Education and Training Standards Commission is $2,400,992 in each year of the biennium.	$31,910 0.50	R	$31,910 0.50	R
Total Legislative Changes	**$1,040,677** **$69,576**	R NR	**$1,648,949**	R
Total Position Changes	4.50		4.50	
Revised Budget	**$55,904,112**		**$56,445,076**	

Indigent Defense Services
Budget Code 12001

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$130,512,045	$130,864,258
Receipts	$10,355,797	$10,355,797
Net Appropriation	$120,156,248	$120,508,461
Legislative Changes		
Requirements	$257,573	$855,471
Receipts	$0	$0
Net Appropriation	$257,573	$855,471
Revised Budget		
Requirements	$130,769,618	$131,719,729
Receipts	$10,355,797	$10,355,797
Net Appropriation	$120,413,821	$121,363,932

General Fund FTE		
Base Budget	530.73	530.73
Legislative Changes	0.00	0.00
Revised Budget	530.73	530.73

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Indigent Defense Services Budget Code 12001		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Indigent Persons Attorney	76,034,886	10,125,135	65,909,751	-	-	-	76,034,886	10,125,135	65,909,751
1320	Public Defender Service	51,860,396	37,084	51,823,312	-	-	-	51,860,396	37,084	51,823,312
1380	Indigent Defense Service	2,616,763	193,578	2,423,185	-	-	-	2,616,763	193,578	2,423,185
Department-wide Items										
	State Retirement Contributions				120,408	N/A	120,408	120,408	N/A	120,408
	Consolidated Judicial Retirement Contrib.				25,655	N/A	25,655	25,655	N/A	25,655
	State Health Plan				111,510	N/A	111,510	111,510	N/A	111,510
Total		$130,512,045	$10,355,797	$120,156,248	$257,573	$0	$257,573	$130,769,618	$10,355,797	$120,413,821

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Indigent Defense Services Budget Code 12001		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Indigent Persons Attorney	76,034,886	10,125,135	65,909,751	-	-	-	76,034,886	10,125,135	65,909,751
1320	Public Defender Service	52,204,616	37,084	52,167,532	-	-	-	52,204,616	37,084	52,167,532
1380	Indigent Defense Service	2,624,756	193,578	2,431,178	-	-	-	2,624,756	193,578	2,431,178
Department-wide Items										
	State Retirement Contributions				558,559	N/A	558,559	558,559	N/A	558,559
	Consolidated Judicial Retirement Contrib.				60,617	N/A	60,617	60,617	N/A	60,617
	State Health Plan				236,295	N/A	236,295	236,295	N/A	236,295
Total		**$130,864,258**	**$10,355,797**	**$120,508,461**	**$855,471**	**$0**	**$855,471**	**$131,719,729**	**$10,355,797**	**$121,363,932**

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Indigent Defense Services Budget Code 12001		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1310	Indigent Persons Attorney	-	-	-	-
1320	Public Defender Service	506.00	-	-	506.00
1380	Indigent Defense Service	24.73	-	-	24.73
			-	-	-
Total FTE		530.73	-	-	530.73

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Indigent Defense Services Budget Code 12001		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1310	Indigent Persons Attorney	-	-	-	-
1320	Public Defender Service	506.00	-	-	506.00
1380	Indigent Defense Service	24.73	-	-	24.73
			-	-	-
Total FTE		530.73	-	-	530.73

Judicial - Indigent Defense

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$120,156,248**		**$120,508,461**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
45 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$120,408	R	$558,559	R
46 Consolidated Judicial Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Consolidated Judicial Retirement System (CJRS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for CJRS statewide is $27.2 million in FY 2017-18 and $27.4 million in FY 2018-19, an increase of $743,266 for FY 2017-18 and $930,960 for FY 2018-19.	$25,655	R	$60,617	
47 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$111,510	R	$236,295	R

Senate Appropriations Committee on Justice and Public Safety	FY 17-18		FY 18-19	
Total Legislative Changes	**$257,573**	**R**	**$855,471**	**R**
Total Position Changes				
Revised Budget	**$120,413,821**		**$121,363,932**	

Administrative Office of the Courts
Budget Code 12000

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$514,916,305	$516,333,043
Receipts	$1,259,409	$1,259,409
Net Appropriation	$513,656,896	$515,073,634
Legislative Changes		
Requirements	$2,893,035	$8,675,723
Receipts	$0	$0
Net Appropriation	$2,893,035	$8,675,723
Revised Budget		
Requirements	$517,809,340	$525,008,766
Receipts	$1,259,409	$1,259,409
Net Appropriation	$516,549,931	$523,749,357

General Fund FTE		
Base Budget	5,802.23	5,802.23
Legislative Changes	92.00	92.00
Revised Budget	5,894.23	5,894.23

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Administrative Office of the Courts Budget Code 12000		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Services	53,245,055	585,649	52,659,406	(683,195)	-	(683,195)	52,561,860	585,649	51,976,211
1200	Appellate Division	14,573,703	-	14,573,703	(47,055)	-	(47,055)	14,526,648	-	14,526,648
1300	Trial Court Division	315,847,236	-	315,847,236	452,999	-	452,999	316,300,235	-	316,300,235
1410	Specialty Services and Programs	21,945,568	200,000	21,745,568	-	-	-	21,945,568	200,000	21,745,568
1600	Office- District Attorney	106,777,091	132,135	106,644,956	277,251	-	277,251	107,054,342	132,135	106,922,207
1700	Independent Commissions	2,527,652	341,625	2,186,027	-	-	-	2,527,652	341,625	2,186,027
Department-wide Items										
	State Retirement Contributions				938,502	N/A	938,502	938,502	N/A	938,502
	Consolidated Judicial Retirement Contrib.				740,134	N/A	740,134	740,134	N/A	740,134
	State Health Plan				1,214,399	N/A	1,214,399	1,214,399	N/A	1,214,399
Total		$514,916,305	$1,259,409	$513,656,896	$2,893,035	$0	$2,893,035	$517,809,340	$1,259,409	$516,549,931

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Administrative Office of the Courts Budget Code 12000		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Services	53,266,348	585,649	52,680,699	(683,195)	-	(683,195)	52,583,153	585,649	51,997,504
1200	Appellate Division	14,609,964	-	14,609,964	(47,055)	-	(47,055)	14,562,909	-	14,562,909
1300	Trial Court Division	316,627,269	-	316,627,269	258,724	-	258,724	316,885,993	-	316,885,993
1410	Specialty Services and Programs	21,964,296	200,000	21,764,296	-	-	-	21,964,296	200,000	21,764,296
1600	Office- District Attorney	107,337,514	132,135	107,205,379	471,526	-	471,526	107,809,040	132,135	107,676,905
1700	Independent Commissions	2,527,652	341,625	2,186,027	-	-	-	2,527,652	341,625	2,186,027
Department-wide Items										
	State Retirement Contributions				4,353,607	N/A	4,353,607	4,353,607	N/A	4,353,607
	Consolidated Judicial Retirement Contrib.				1,748,748	N/A	1,748,748	1,748,748	N/A	1,748,748
	State Health Plan				2,573,368	N/A	2,573,368	2,573,368	N/A	2,573,368
Total		$516,333,043	$1,259,409	$515,073,634	$8,675,723	$0	$8,675,723	$525,008,766	$1,259,409	$523,749,357

Summary of General Fund Total Requirement FTE
Fiscal Year 2017-18
2017 Legislative Session

Administrative Office of the Courts Budget Code 12000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Services	298.50	-	-	298.50
1200	Appellate Division	127.00	-	-	127.00
1300	Trial Court Division	3,983.72	54.00	-	4,037.72
1410	Specialty Services and Programs	238.37	-	-	238.37
1600	Office- District Attorney	1,130.14	38.00	-	1,168.14
1700	Independent Commissions	24.50	-	-	24.50
			-	-	-
Total FTE		**5,802.23**	**92.00**	**-**	**5,894.23**

Summary of General Fund Total Requirement FTE
Fiscal Year 2018-19
2017 Legislative Session

Administrative Office of the Courts Budget Code 12000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Services	298.50	-	-	298.50
1200	Appellate Division	127.00	-	-	127.00
1300	Trial Court Division	3,983.72	54.00	-	4,037.72
1410	Specialty Services and Programs	238.37	-	-	238.37
1600	Office- District Attorney	1,130.14	38.00	-	1,168.14
1700	Independent Commissions	24.50	-	-	24.50
Total FTE		5,802.23	92.00	-	5,894.23

Judicial

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$513,656,896**		**$515,073,634**	
Legislative Changes				
A. Reserve for Salaries and Benefits				
48 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$938,502	R	$4,353,607	R
49 Consolidated Judicial Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Consolidated Judicial Retirement System (CJRS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for CJRS statewide is $27.2 million in FY 2017-18 and $27.4 million in FY 2018-19, an increase of $743,266 for FY 2017-18 and $930,960 for FY 2018-19.	$740,134	R	$1,748,748	R
50 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$1,214,399	R	$2,573,368	R

	FY 17-18		FY 18-19	
B. Administration and Services				
51 Salary Reserve **Fund Code:** 1100 Budgets positions at actual salary levels, reducing the salary reserve.	($332,994)	R	($332,994)	R
52 Supplies **Fund Code:** 1100 Budgets supplies at the actual expenditure level in FY 2015-16. The revised net appropriation for supplies is $3,408,376 in each year of the biennium.	($350,201)	R	($350,201)	R
C. Appellate Division				
53 Salary Reserve **Fund Code:** 1200 Budgets positions at actual salary levels, reducing the salary reserve.	($47,055)	R	($47,055)	R
D. Trial Court Division				
54 Salary Reserve **Fund Code:** 1300 Budgets positions at actual salary levels, reducing the salary reserve.	($1,442,103)	R	($1,442,103)	R
55 Emergency Judges **Fund Code:** 1300 Eliminates funding for emergency judges. The revised net appropriation for emergency judges is $0 in each year of the biennium.	($653,671)	R	($653,671)	R
56 Special Superior Court Judges **Fund Code:** 1300 Eliminates funding for special superior court judgeships that were abolished in Section 18A.19 of S.L. 2015-241, 2015 Appropriations Act. The terms of the judges currently serving in these positions will end on December 31, 2017.	($194,275) -2.00	R	($388,550) -2.00	R

	FY 17-18		FY 18-19	
57 Deputy Clerks **Fund Code:** 1300 Provides funding to create 56 new deputy clerk positions in various districts throughout the State. Distribution of the new positions will bring most districts up to 95% of their workload need. A total of 2,675.1 FTE are funded, with a revised net appropriation for personal services for clerks of $162,873,827 in both years of the biennium.	$2,743,048 56.00	R	$2,743,048 56.00	R
E. District Attorney Offices				
58 Salary Reserve **Fund Code:** 1600 Budgets positions at actual salary levels, reducing the salary reserve.	($2,383,344)	R	($2,364,609)	R
59 Assistant District Attorneys **Fund Code:** 1600 Provides funds to create 37 new assistant district attorney (ADA) positions throughout the State. 32 positions will be created July 1, 2017. The remaining 5 positions will be created January 1, 2018. Funding is provided for an entry-level salary of $50,000 plus benefits. According to the workload formula, 23 districts need at least 1 ADA. Each of these districts will receive 1 position. AOC will determine the best method to equitably distribute the remaining 14 positions across districts with greater need. A total of 681 FTE are funded, with a revised net appropriation for personal services for district attorneys and assistant district attorneys of $101,527,008 in FY 2017-18 and $101,721,283 in FY 2018-19.	$2,540,404 37.00	R	$2,715,944 37.00	R
60 Arson Resource Prosecutor **Fund Code:** 1600 Creates a resource prosecutor position in the Conference of District Attorneys. The position will serve as a statewide resource for prosecutors, law enforcement, firefighters, fire marshals, arson investigators, medical professionals and other allied professionals on arson and homicide cases. The resource prosecutor will also develop and provide training programs for prosecutors, law enforcement officers and other allied professions that will improve the ability to effectively prosecute arson and homicide cases. The revised net appropriation for the Conference of District Attorneys is $415,894 in each year of the biennium.	$120,191 1.00	R	$120,191 1.00	R

Senate Appropriations Committee on Justice and Public Safety	FY 17-18		FY 18-19	
Total Legislative Changes	**$2,893,035**	**R**	**$8,675,723**	**R**
Total Position Changes	92.00		92.00	
Revised Budget	**$516,549,931**		**$523,749,357**	

General Government
Section J

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Department of State Treasurer
Budget Code 13410

General Fund Budget

	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$62,056,354	$62,084,084
Receipts	$51,789,528	$51,817,258
Net Appropriation	$10,266,826	$10,266,826
Legislative Changes		
Requirements	($4,114,822)	($4,111,365)
Receipts	$1,349,045	$1,334,045
Net Appropriation	($5,463,867)	($5,445,410)
Revised Budget		
Requirements	$57,941,532	$57,972,719
Receipts	$53,138,573	$53,151,303
Net Appropriation	$4,802,959	$4,821,416

General Fund FTE

Base Budget	381.10	381.10
Legislative Changes	2.00	2.00
Revised Budget	383.10	383.10

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of State Treasurer Budget Code 13410		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	2,300,378	2,301,910	(1,532)	360,244	360,244	-	2,660,622	2,662,154	(1,532)
1130	Escheat Fund - Administration	3,302,368	3,302,368	-	-	-	-	3,302,368	3,302,368	-
1150	Information Services	8,945,113	8,945,113	-	-	-	-	8,945,113	8,945,113	-
1210	Investment Management	15,930,547	9,837,153	6,093,394	(5,688,712)	-	(5,688,712)	10,241,835	9,837,153	404,682
1310	Local Government - Operations	5,203,162	5,203,161	1	-	-	-	5,203,162	5,203,161	1
1320	State Bond Issuance	299,000	299,000	-	-	-	-	299,000	299,000	-
1410	Retirement Operations	19,056,879	19,056,879	-	602,500	602,500	-	19,659,379	19,659,379	-
1450	Achieving a Better Life Experience	545,434	-	545,434	-	-	-	545,434	-	545,434
1510	Financial Operations Division	6,473,473	2,843,944	3,629,529	836,301	386,301	450,000	7,309,774	3,230,245	4,079,529
Undesignated Items										
N/A	Position Eliminations	-	-	-	(253,874)	-	(253,874)	(253,874)	-	(253,874)
N/A	Compensation Increase Reserve	-	-	-	20,521	-	20,521	20,521	-	20,521
N/A	State Retirement Contribution	-	-	-	3,683	-	3,683	3,683	-	3,683
N/A	State Health Plan Reserve				4,515	-	4,515	4,515	-	4,515
Total		**62,056,354**	**51,789,528**	**10,266,826**	**(4,114,822)**	**1,349,045**	**(5,463,867)**	**57,941,532**	**53,138,573**	**4,802,959**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of State Treasurer Budget Code 13410		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	2,300,378	2,301,910	(1,532)	351,244	351,244	-	2,651,622	2,653,154	(1,532)
1130	Escheat Fund - Administration	3,302,368	3,302,368	-	-	-	-	3,302,368	3,302,368	-
1150	Information Services	8,945,113	8,945,113	-	-	-	-	8,945,113	8,945,113	-
1210	Investment Management	15,930,547	9,837,153	6,093,394	(5,688,712)	-	(5,688,712)	10,241,835	9,837,153	404,682
1310	Local Government - Operations	5,203,162	5,203,161	1	-	-	-	5,203,162	5,203,161	1
1320	State Bond Issuance	299,000	299,000	-	-	-	-	299,000	299,000	-
1410	Retirement Operations	19,056,879	19,056,879	-	602,500	602,500	-	19,659,379	19,659,379	-
1450	Achieving a Better Life Experience	545,434	-	545,434	-	-	-	545,434	-	545,434
1510	Financial Operations Division	6,501,203	2,871,674	3,629,529	830,301	380,301	450,000	7,331,504	3,251,975	4,079,529
Undesignated Items										
N/A	Positions Eliminations	-	-	-	(253,874)	-	(253,874)	(253,874)	-	(253,874)
N/A	Compensation Increase Reserve				20,521		20,521	20,521		20,521
N/A	State Retirement Contribution Reserve	-	-	-	17,087	-	17,087	17,087	-	17,087
N/A	State Health Plan Reserve	-	-	-	9,568	-	9,568	9,568	-	9,568
Total		**$62,084,084**	**$51,817,258**	**$10,266,826**	**(4,111,365)**	**1,334,045**	**(5,445,410)**	**57,972,719**	**53,151,303**	**4,821,416**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of State Treasurer					
Budget Code 13410		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	23.85	-	2.00	25.85
1130	Escheat Fund - Administration	27.00	-	-	27.00
1150	Information Services	50.00	-	-	50.00
1210	Investment Management	39.55	-	-	39.55
1310	Local Government - Operations	38.00	-	-	38.00
1320	State Bond Issuance	-	-	-	-
1410	Retirement Operations	159.50	-	1.00	160.50
1450	Achieving a Better Life Experience	4.00	-	-	4.00
1510	Financial Operations Division	39.20	-	2.00	41.20
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		381.10	(3.00)	5.00	383.10

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of State Treasurer					
Budget Code 13410		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	23.85	-	2.00	25.85
1130	Escheat Fund - Administration	27.00	-	-	27.00
1150	Information Services	50.00	-	-	50.00
1210	Investment Management	39.55	-	-	39.55
1310	Local Government - Operations	38.00	-	-	38.00
1320	State Bond Issuance	-	-	-	-
1410	Retirement Operations	159.50	-	1.00	160.50
1450	Achieving a Better Life Experience	4.00	-	-	4.00
1510	Financial Operations Division	39.20	-	2.00	41.20
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		381.10	(3.00)	5.00	383.10

(1.0) Treasurer

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$10,266,826**		**$10,266,826**	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$20,521	R	$20,521	R
2 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$3,683	R	$17,087	R
3 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$4,515	R	$9,568	R

	FY 17-18		FY 18-19	
Department-Wide				
4 Position Eliminations	($253,874)	R	($253,874)	R
Fund Code: N/A	-3.00		-3.00	

Eliminates the following vacant positions which have been vacant for over 630 days:

65024108 Attorney II
65024109 Information and Communications Specialist III
65024110 Administrative Officer I

The revised net appropriation for the Department of State Treasurer is $4.8 million in each year of the biennium.

Financial Operations Division

5 Rent
Fund Code: 1510

Provides $169,000 in receipt funding for the rental of the complex for Department of State Treasurer (DST). This amount needed is due to an automatic increase built into the contract. The revised net appropriation for this fund, after all changes in this section, is $4.0 million in each year of the biennium.

6 Core Banking System	$450,000	R	$450,000	R
Fund Code: 1510				

Provides funding to fully support the requirements of an existing contract for maintenance and related information technology costs for the State's Core Banking System. The revised net appropriation for the Financial Operations Division, after all changes in this section, is $4.0 million in each year of the biennium.

7 Accounting Positions
Fund Code: 1510

Provides additional receipt support for 2 additional advanced accountant positions to support accounting and financial reporting for the Department of State Treasurer (DST). The amount is $211,301 recurring and $6,000 nonrecurring. The revised net appropriation for this fund, after all changes in this section, is $4.0 million in each year of the biennium.

	FY 17-18		FY 18-19	
General Administration Division				
8 Internal Auditor Positions **Fund Code:** 1110 Creates 2 additional internal audit positions and appropriates $161,096 for salaries and benefits. Additionally, the Department of State Treasurer is appropriated $6,000 for nonrecurring expenses associated with start-up costs for these positions. The revised net appropriation to the General Administration Division, from all changes in this section, is $2.6 million in each year of the biennium and the net appropriation is unchanged since the General Administration Division is 100% receipt supported through cost allocation to the divisions supported by funds managed by Department of State Treasurer.				
Investment Management Division				
9 Investment Position Funding **Fund Code:** 1210 Adjusts the base budget by eliminating net General Fund appropriations for the Investment Management Division positions, which are receipt supported from investment earnings managed by the Department of State Treasurer. The revised net appropriation for this fund, from all actions in this section, is $400,000 for each year of the biennium, as the entire Division is receipt supported.	($5,688,712)	R	($5,688,712)	R
Retirement Operations Division				
10 Orbit Update and Support **Fund Code:** 1410 Provides receipt funding for IT system upgrades and 1 FTE for the management of the Orbit Retirement System. Funding includes $127,500 for the salary and benefits of 1 FTE position and $431,000 for FY 2017-18 and $475,000 in FY 2018-19 for system enhancements. The revised appropriation for the Retirement Operations Division is $19.6 million in each year of the biennium.				
Total Legislative Changes	**($5,463,867)**	R	**($5,445,410)**	R
Total Position Changes	-3.00		-3.00	
Revised Budget	**$4,802,959**		**$4,821,416**	

Fire Rescue National Guard Pensions
Budget Code 13412

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$26,889,281	$26,889,281
Receipts	$0	$0
Net Appropriation	$26,889,281	$26,889,281
Legislative Changes		
Requirements	$756,080	$1,106,080
Receipts	$0	$0
Net Appropriation	$756,080	$1,106,080
Revised Budget		
Requirements	$27,645,361	$27,995,361
Receipts	$0	$0
Net Appropriation	$27,645,361	$27,995,361

General Fund FTE		
Enacted Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Fire Rescue National Guard Pensions Budget Code 13412		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1414	General Fund Contribution to National Guard	8,517,073	-	8,517,073	406,080	-	406,080	8,923,153	-	8,923,153
1415	General Fund Contribution to Fire and Rescue Squad	17,602,208	-	17,602,208	350,000	-	350,000	17,952,208	-	17,952,208
1432	Line of Duty Death Benefits	770,000	-	770,000	-	-	-	770,000	-	770,000
Undesignated Items										
Total		**26,889,281**	**-**	**26,889,281**	**756,080**	**-**	**756,080**	**27,645,361**	**-**	**27,645,361**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Fire Rescue National Guard Pensions Budget Code 13412		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1414	General Fund Contribution to National Guard	8,517,073	-	8,517,073	406,080	-	406,080	8,923,153	-	8,923,153
1415	General Fund Contribution to Fire and Rescue Squad	17,602,208	-	17,602,208	700,000	-	700,000	18,302,208	-	18,302,208
1432	Line of Duty Death Benefits	770,000	-	770,000	-	-	-	770,000	-	770,000
Undesignated Items										
Total		$26,889,281	$0	$26,889,281	$1,106,080	$0	$1,106,080	$27,995,361	$0	$27,995,361

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Fire Rescue National Guard Pensions					
Budget Code 13412		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1414	General Fund Contribution to National Guard	-	-	-	-
1415	General Fund Contribution to Fire and Rescue Squad	-	-	-	-
1432	Line of Duty Death Benefits	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Fire Rescue National Guard Pensions					
Budget Code 13412		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1414	General Fund Contribution to National Guard	-	-	-	-
1415	General Fund Contribution to Fire and Rescue Squad	-	-	-	-
1432	Line of Duty Death Benefits	-	-	-	-
Total FTE		-	-	-	-

(2.0) Treasurer - Retirement and Benefits

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$26,889,281**		**$26,889,281**	
Legislative Changes				
Reserve for Salaries and Benefits				
11 National Guard Pension Fund **Fund Code:** 1414 Increases the State's contribution to the National Guard Pension Fund (NGPF) to match the actuarially determined contribution. The revised net appropriation to the NGPF is $8.9 million.	$406,080	R	$406,080	R
12 Firefighters' and Rescue Squad Workers' Pension Fund **Fund Code:** 1415 Increases the State's contribution to the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) to match the actuarially determined contribution. The revised net appropriation to the FRSWPF is $18.0 million for FY 2017-18 and $18.3 million for FY 2018-19.	$350,000	R	$700,000	R
Total Legislative Changes	**$756,080**	R	**$1,106,080**	R
Total Position Changes				
Revised Budget	**$27,645,361**		**$27,995,361**	

Department of Military and Veterans Affairs
Budget Code 13050

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$60,846,296	$60,846,296
Receipts	$52,647,271	$52,647,271
Net Appropriation	$8,199,025	$8,199,025
Legislative Changes		
Requirements	$2,103,888	$173,273
Receipts	$0	$0
Net Appropriation	$2,103,888	$173,273
Revised Budget		
Requirements	$62,950,184	$61,019,569
Receipts	$52,647,271	$52,647,271
Net Appropriation	$10,302,913	$8,372,298

General Fund FTE		
Base Budget	90.65	90.65
Legislative Changes	0.00	0.00
Revised Budget	90.65	90.65

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Military and Veterans Affairs Budget Code 13050		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	1,183,040	-	1,183,040	-	-	-	1,183,040	-	1,183,040
1200	Veterans' Affairs-Services	13,147,486	6,770,964	6,376,522	-	-	-	13,147,486	6,770,964	6,376,522
1300	State Veterans' Homes Program	45,876,307	45,876,307	-	-	-	-	45,876,307	45,876,307	-
1400	Military Presence Stabilization Fund (BRAC)	162,748	-	162,748	2,000,000	-	2,000,000	2,162,748	-	2,162,748
1500	VA Cemeteries	476,715	-	476,715	-	-	-	476,715	-	476,715
Undesignated Items										
N/A	Positions Eliminations	-	-	-	-	-	-	-	-	-
N/A	Compensation Increase Reserve				72,183	-	72,183	72,183	-	72,183
N/A	State Retirement Contribution	-	-	-	13,456	-	13,456	13,456	-	13,456
N/A	State Health Plan Reserve	-	-	-	18,249	-	18,249	18,249	-	18,249
Total		**60,846,296**	**52,647,271**	**8,199,025**	**2,103,888**	**-**	**2,103,888**	**62,950,184**	**52,647,271**	**10,302,913**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Military and Veterans Affairs Budget Code 13050		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	1,183,040	-	1,183,040	-	-	-	1,183,040	-	1,183,040
1200	Veterans' Affairs-Services	13,147,486	6,770,964	6,376,522	-	-	-	13,147,486	6,770,964	6,376,522
1300	State Veterans' Homes Program	45,876,307	45,876,307	-	-	-	-	45,876,307	45,876,307	-
1400	Military Presence Stabilization Fund (BRAC)	162,748	-	162,748	-	-	-	162,748	-	162,748
1500	VA Cemeteries	476,715	-	476,715	-	-	-	476,715	-	476,715
Undesignated Items										
N/A	Positions Eliminations	-	-	-	-	-	-	-	-	-
N/A	Compensation Increase Reserve				72,183		72,183	72,183		72,183
N/A	State Retirement Contribution	-	-	-	62,419	-	62,419	62,419	-	62,419
N/A	State Health Plan Reserve	-	-	-	38,671	-	38,671	38,671	-	38,671
Total		**$60,846,296**	**$52,647,271**	**$8,199,025**	**$173,273**	**$0**	**$173,273**	**$61,019,569**	**$52,647,271**	**$8,372,298**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Military and Veterans Affairs					
Budget Code 13050		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	11.00	-	-	11.00
1200	Veterans' Affairs-Services	59.90	-	-	59.90
1300	State Veterans' Homes Program	8.75	-	-	8.75
1400	Military Presence Stabilization Fund (BRAC)	3.00	-	-	3.00
1500	VA Cemeteries	8.00	-	-	8.00
Total FTE		**90.65**	-	-	**90.65**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Military and Veterans Affairs					
Budget Code 13050		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	11.00	-	-	11.00
1200	Veterans' Affairs-Services	59.90	-	-	59.90
1300	State Veterans' Homes Program	8.75	-	-	8.75
1400	Military Presence Stabilization Fund (BRAC)	3.00	-	-	3.00
1500	VA Cemeteries	8.00	-	-	8.00
Total FTE		**90.65**	**-**	**-**	**90.65**

(3.0) Department of Military and Veterans Affairs

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$8,199,025**		**$8,199,025**	
Legislative Changes				
Reserve for Salaries and Benefits				
13 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$72,183	R	$72,183	R
14 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$13,456	R	$62,419	R
15 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$18,249	R	$38,671	R
Military Presence Stabilization Fund				
16 Military Presence Stabilization Fund **Fund Code:** 1400 Provides additional funds to assist communities in investment efforts to sustain and maintain North Carolina's military programs and activities. The revised net appropriation for this fund is $2.0 million in FY 2017-18 only.	$2,000,000	NR		

	FY 17-18		FY 18-19	
Total Legislative Changes	$103,888	R	$173,273	R
	$2,000,000	NR		
Total Position Changes				
Revised Budget	$10,302,913		$8,372,298	

Department of Insurance
Budget Code 13900

General Fund Budget

	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$50,457,372	$50,459,537
Receipts	$10,666,688	$10,666,688
Net Appropriation	$39,790,684	$39,792,849
Legislative Changes		
Requirements	$818,204	$1,214,527
Receipts	$158,000	$158,000
Net Appropriation	$660,204	$1,056,527
Revised Budget		
Requirements	$51,275,576	$51,674,064
Receipts	$10,824,688	$10,824,688
Net Appropriation	$40,450,888	$40,849,376

General Fund FTE

Base Budget	420.18	420.18
Legislative Changes	(2.00)	(2.00)
Revised Budget	418.18	418.18

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Insurance Budget Code 13900		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	7,704,434	121,726	7,582,708	480,959	-	480,959	8,185,393	121,726	8,063,667
1200	Company Services Group	10,567,762	27,676	10,540,086	-	-	-	10,567,762	27,676	10,540,086
1400	Producers, Fraud and Products Group	9,433,728	3,198,158	6,235,570	139,022	-	139,022	9,572,750	3,198,158	6,374,592
1500	Office of State Fire Marshal	15,731,158	4,613,505	11,117,653	158,000	158,000	-	15,889,158	4,771,505	11,117,653
1600	Consumer Assistance Group	6,392,063	2,705,623	3,686,440	-	-	-	6,392,063	2,705,623	3,686,440
1900	Reserves and Transfers	628,227	-	628,227	-	-	-	628,227	-	628,227
Undesignated Items										
N/A	Position Eliminations	-	-	-	(245,773)	-	(245,773)	(245,773)	-	(245,773)
N/A	Travel Reduction	-	-	-	(350,000)	-	(350,000)	(350,000)	-	(350,000)
N/A	Compensation Increase Reserve	-	-	-	473,629	-	473,629	473,629	-	473,629
N/A	State Retirement Contribution				85,175	-	85,175	85,175	-	85,175
N/A	State Health Plan Reserve	-	-	-	77,192	-	77,192	77,192	-	77,192
Total		50,457,372	10,666,688	39,790,684	818,204	158,000	660,204	51,275,576	10,824,688	40,450,888

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Insurance Budget Code 13900		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	7,706,599	121,726	7,584,873	480,959	-	480,959	8,187,558	121,726	8,065,832
1200	Company Services Group	10,567,762	27,676	10,540,086	-	-	-	10,567,762	27,676	10,540,086
1400	Producers, Fraud and Products Group	9,433,728	3,198,158	6,235,570	139,022	-	139,022	9,572,750	3,198,158	6,374,592
1500	Office of State Fire Marshal	15,731,158	4,613,505	11,117,653	158,000	158,000	-	15,889,158	4,771,505	11,117,653
1600	Consumer Assistance Group	6,392,063	2,705,623	3,686,440	-	-	-	6,392,063	2,705,623	3,686,440
1900	Reserves and Transfers	628,227	-	628,227	-	-	-	628,227	-	628,227
Undesignated Items										
N/A	Position Eliminations	-	-	-	(245,773)	-	(245,773)	(245,773)	-	(245,773)
N/A	Travel Reduction	-	-	-	(350,000)	-	(350,000)	(350,000)	-	(350,000)
N/A	Compensation Increase Reserve				473,629	-	473,629	473,629	-	473,629
N/A	State Retirement Contribution	-	-	-	395,117	-	395,117	395,117	-	395,117
N/A	State Health Plan Reserve	-	-	-	163,573	-	163,573	163,573	-	163,573
Total		**50,459,537**	**$10,666,688**	**$39,792,849**	**$1,214,527**	**$158,000**	**$1,056,527**	**$51,674,064**	**$10,824,688**	**$40,849,376**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Insurance					
Budget Code 13900		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	64.74	-	-	64.74
1200	Company Services Group	100.08	-	-	100.08
1400	Producers, Fraud and Products Group	95.00	2.00	-	97.00
1500	Office of State Fire Marshal	96.36	-	-	96.36
1600	Consumer Assistance Group	64.00	-	-	64.00
1900	Reserves and Transfers	-	-	-	-
N/A	Position Eliminations	-	(4.00)	-	(4.00)
Total FTE		**420.18**	**(2.00)**	**-**	**418.18**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Insurance					
Budget Code 13900		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	64.74	-	-	64.74
1200	Company Services Group	100.08	-	-	100.08
1400	Producers, Fraud and Products Group	95.00	2.00	-	97.00
1500	Office of State Fire Marshal	96.36	-	-	96.36
1600	Consumer Assistance Group	64.00	-	-	64.00
1900	Reserves and Transfers	-	-	-	-
N/A	Position Eliminations	-	(4.00)	-	(4.00)
Total FTE		**420.18**	**(2.00)**	**-**	**418.18**

(4.0) Insurance

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$39,790,684**		**$39,792,849**	
Legislative Changes				
Reserve for Salaries and Benefits				
17 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$473,629	R	$473,629	R
18 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$85,175	R	$395,117	R
19 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$77,192	R	$163,573	R
Administration				
20 Lease Increase **Fund Code:** 1110 Provides additional funds for the lease increase for the Albemarle Building. The revised net appropriation for lease of the Albemarle Building is $2.1 million in each year of the biennium.	$480,959	R	$480,959	R

	FY 17-18		FY 18-19	
Department-wide				
21 Vacant Position Eliminations **Fund Code:** N/A Eliminates the following 4 vacant positions which have been vacant for longer than 265 days: 60013316 Executive Assistant I 60013309 Attorney III 60013603 Insurance Regulatory Analyst 60013681 Administrative Assistant III The revised net appropriation for the Department of Insurance, after all changes in this section, is $40 million in each year of the biennium.	($245,773) -4.00	R	($245,773) -4.00	R
22 Travel **Fund Code:** N/A Reduces the amount of funds available for employee travel. This reduction is based upon actual expenditures over the past 3 years. The revised net appropriation available for employee travel is $1.2 million in each year of the biennium.	($350,000)	R	($350,000)	R
Office of State Fire Marshal				
23 Aid to Fire Departments **Fund Code:** 1500 Continues the receipt funding for fire protection for the Department of Transportation's buildings across the State. These funds are allocated to local fire departments for fire protection of State government buildings. This continues the transfer of $158,000 from the Department of Transportation to the Office of the State Fire Marshal. The revised net appropriation for the Fire Protection Program is $5.3 million in each year of the biennium.				
Producers, Fraud and Products Division				
24 Fraud Investigator Positions **Fund Code:** 1400 Provides additional funding for 2 sworn officers to investigate insurance fraudulent activities. The revised net appropriation for this fund is $6.4 million in each year of the biennium.	$139,022 2.00	R	$139,022 2.00	R

	FY 17-18		FY 18-19	
Total Legislative Changes	**$660,204**	R	**$1,056,527**	R
Total Position Changes	-2.00		-2.00	
Revised Budget	**$40,450,888**		**$40,849,376**	

State Board of Elections
Budget Code 18025

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$6,723,306	$6,723,306
Receipts	$102,000	$102,000
Net Appropriation	$6,621,306	$6,621,306
Legislative Changes		
Requirements	($21,236)	$41,095
Receipts	$0	$0
Net Appropriation	($21,236)	$41,095
Revised Budget		
Requirements	$6,702,070	$6,764,401
Receipts	$102,000	$102,000
Net Appropriation	$6,600,070	$6,662,401

General Fund FTE		
Base Budget	61.00	61.00
Legislative Changes	(3.00)	(3.00)
Revised Budget	58.00	58.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

State Board of Elections Budget Code 18025		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	999,270	102,000	897,270	-	-	-	999,270	102,000	897,270
1200	Campaign Reporting	1,428,680	-	1,428,680	-	-	-	1,428,680	-	1,428,680
1201	Ethics and Campaign Reform	96,945	-	96,945	-	-	-	96,945	-	96,945
1300	Voter Registration and Voting Systems	3,178,699	-	3,178,699	70,000	-	70,000	3,248,699	-	3,248,699
1400	Voter Information Verification Act (VIVA	1,019,712	-	1,019,712	-	-	-	1,019,712	-	1,019,712
Undesignated Items										
N/A	Position Eliminations	-	-	-	(187,384)	-	(187,384)	(187,384)	-	(187,384)
N/A	Compensation Increase Reserve				69,857	-	69,857	69,857	-	69,857
N/A	State Retirement Contribution	-	-	-	13,061	-	13,061	13,061	-	13,061
N/A	State Health Plan Reserve	-	-	-	13,230	-	13,230	13,230	-	13,230
Total		**6,723,306**	**102,000**	**6,621,306**	**(21,236)**	**-**	**(21,236)**	**6,702,070**	**102,000**	**6,600,070**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

State Board of Elections Budget Code 18025		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	999,270	102,000	897,270	-	-	-	999,270	102,000	897,270
1200	Campaign Reporting	1,428,680	-	1,428,680	-	-	-	1,428,680	-	1,428,680
1201	Ethics and Campaign Reform	96,945	-	96,945	-	-	-	96,945	-	96,945
1300	Voter Registration and Voting Systems	3,178,699	-	3,178,699	70,000	-	70,000	3,248,699	-	3,248,699
1400	Voter Information Verification Act (VIVA	1,019,712	-	1,019,712	-	-	-	1,019,712	-	1,019,712
Undesignated Items										
N/A	Position Eliminations	-	-	-	(187,384)	-	(187,384)	(187,384)	-	(187,384)
N/A	Compensation Increase Reserve				69,857	-	69,857	69,857	-	69,857
N/A	State Retirement Contribution	-	-	-	60,587	-	60,587	60,587	-	60,587
N/A	State Health Plan Reserve	-	-	-	28,035	-	28,035	28,035	-	28,035
Total		**$6,723,306**	**$102,000**	**$6,621,306**	**$41,095**	**$0**	**$41,095**	**$6,764,401**	**$102,000**	**$6,662,401**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

State Board of Elections					
Budget Code 18025		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	7.00	-	-	7.00
1200	Campaign Reporting	18.00	-	-	18.00
1201	Ethics and Campaign Reform	-	-	-	-
1300	Voter Registration and Voting Systems	29.00	-	-	29.00
1400	Voter Information Verification Act (VIVA	7.00	-	-	7.00
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		**61.00**	**(3.00)**	**-**	**58.00**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

State Board of Elections					
Budget Code 18025		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	7.00	-	-	7.00
1200	Campaign Reporting	18.00	-	-	18.00
1201	Ethics and Campaign Reform	-	-	-	-
1300	Voter Registration and Voting Systems	29.00	-	-	29.00
1400	Voter Information Verification Act (VIVA	7.00	-	-	7.00
N/A	Position Eliminations	-	(3.00)	-	(3.00)
Total FTE		**61.00**	**(3.00)**	**-**	**58.00**

(5.0) State Board of Elections

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$6,621,306**		**$6,621,306**	
Legislative Changes				
Reserve for Salaries and Benefits				
25 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$69,857	R	$69,857	R
26 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$13,061	R	$60,587	R
27 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$13,230	R	$28,035	R

	FY 17-18		FY 18-19	
Department-wide				
28 Vacant Positions **Fund Code:** N/A Eliminates 3 FTE's that have been vacant over 540 days. The following positions will be eliminated: 60088226 Technology Support Analyst 60088214 Administrative Assistant II 60088238 Business and Technology Applications Technician The revised net appropriation for State Board of Elections, after all changes in this section, is $6.6 million in each year of the biennium.	($187,384) -3.00	R	($187,384) -3.00	R
Voter Registration and Voting Systems				
29 Business Applications Analyst **Fund Code:** 1300 Converts a current time-limited position to a permanent FTE position. This Business Applications Analyst is responsible for supporting the voting application systems. The revised net appropriation for this fund is $3.2 million in each year of the biennium.	$70,000	R	$70,000	R
Total Legislative Changes	**($21,236)**	R	**$41,095**	R
Total Position Changes	-3.00		-3.00	
Revised Budget	**$6,600,070**		**$6,662,401**	

North Carolina General Assembly
Budget Code 11000

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$64,562,017	$64,562,017
Receipts	$1,086,000	$1,086,000
Net Appropriation	$63,476,017	$63,476,017
Legislative Changes		
Requirements	$1,650,256	$2,055,362
Receipts	$0	$0
Net Appropriation	$1,650,256	$2,055,362
Revised Budget		
Requirements	$66,212,273	$66,617,379
Receipts	$1,086,000	$1,086,000
Net Appropriation	$65,126,273	$65,531,379

General Fund FTE		
Base Budget	480.95	480.95
Legislative Changes	0.00	0.00
Revised Budget	480.95	480.95

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

North Carolina General Assembly Budget Code 11000		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Senate	11,933,053	-	11,933,053	-	-	-	11,933,053	-	11,933,053
1120	House of Representatives	16,058,982	-	16,058,982	-	-	-	16,058,982	-	16,058,982
1211	Administrative Division	9,002,398	6,000	8,996,398	-	-	-	9,002,398	6,000	8,996,398
1212	Bill Drafting Division	3,294,723	-	3,294,723	-	-	-	3,294,723	-	3,294,723
1213	Legislative Analysis Division	5,480,321	-	5,480,321	-	-	-	5,480,321	-	5,480,321
1214	Fiscal Research Division	5,017,723	-	5,017,723	-	-	-	5,017,723	-	5,017,723
1215	Building Maintenance	3,024,933	-	3,024,933	-	-	-	3,024,933	-	3,024,933
1216	Food Service	1,511,910	750,000	761,910	-	-	-	1,511,910	750,000	761,910
1217	Information Systems	7,246,368	330,000	6,916,368	-	-	-	7,246,368	330,000	6,916,368
1219	Program Evaluation Division	1,710,660	-	1,710,660	150,000	-	150,000	1,860,660	-	1,860,660
1220	Legislative - Research	-	-	-	-	-	-	-	-	-
1900	Committees and Other Reserves	280,946	-	280,946	150,000	-	150,000	430,946	-	430,946
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,005,601	-	1,005,601	1,005,601	-	1,005,601
N/A	State Retirement Contribution	-	-	-	128,425	-	128,425	128,425	-	128,425
N/A	Legislative Retirement Contribution				10,860	-	10,860	10,860	-	10,860
N/A	State Health Plan Reserve				205,370	-	205,370	205,370	-	205,370
Total		**64,562,017**	**1,086,000**	**63,476,017**	**1,650,256**	**-**	**1,650,256**	**66,212,273**	**1,086,000**	**65,126,273**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

North Carolina General Assembly Budget Code 11000		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Senate	11,933,053	-	11,933,053	-	-	-	11,933,053	-	11,933,053
1120	House of Representatives	16,058,982	-	16,058,982	-	-	-	16,058,982	-	16,058,982
1211	Administrative Division	9,002,398	6,000	8,996,398	-	-	-	9,002,398	6,000	8,996,398
1212	Bill Drafting Division	3,294,723	-	3,294,723	-	-	-	3,294,723	-	3,294,723
1213	Legislative Analysis Division	5,480,321	-	5,480,321	-	-	-	5,480,321	-	5,480,321
1214	Fiscal Research Division	5,017,723	-	5,017,723	-	-	-	5,017,723	-	5,017,723
1215	Building Maintenance	3,024,933	-	3,024,933	-	-	-	3,024,933	-	3,024,933
1216	Food Service	1,511,910	750,000	761,910	-	-	-	1,511,910	750,000	761,910
1217	Information Systems	7,246,368	330,000	6,916,368	-	-	-	7,246,368	330,000	6,916,368
1219	Program Evaluation Division	1,710,660	-	1,710,660	-	-	-	1,710,660	-	1,710,660
1220	Legislative - Research	-	-	-	-	-	-	-	-	-
1900	Committees and Other Reserves	280,946	-	280,946	-	-	-	280,946	-	280,946
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,005,601	-	1,005,601	1,005,601	-	1,005,601
N/A	State Retirement Contribution				595,749	-	595,749	595,749	-	595,749
N/A	Legislative Retirement Contribution				18,824	-	18,824	18,824	-	18,824
N/A	State Health Plan Reserve	-	-	-	435,188	-	435,188	435,188	-	435,188
Total		**$64,562,017**	**$1,086,000**	**$63,476,017**	**$2,055,362**	**$0**	**$2,055,362**	**$66,617,379**	**$1,086,000**	**$65,531,379**

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

North Carolina General Assembly					
Budget Code 11000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Senate	78.00	-	-	78.00
1120	House of Representatives	154.10	-	-	154.10
1211	Administrative Division	41.60	-	-	41.60
1212	Bill Drafting Division	22.00	-	-	22.00
1213	Legislative Analysis Division	48.00	-	-	48.00
1214	Fiscal Research Division	40.00	-	-	40.00
1215	Building Maintenance	25.00	-	-	25.00
1216	Food Service	16.25	-	-	16.25
1217	Information Systems	42.00	-	-	42.00
1219	Program Evaluation Division	14.00	-	-	14.00
1220	Legislative - Research	-	-	-	-
1900	Committees and Other Reserves	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		**480.95**	**-**	**-**	**480.95**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

North Carolina General Assembly					
Budget Code 11000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Senate	78.00	-	-	78.00
1120	House of Representatives	154.10	-	-	154.10
1211	Administrative Division	41.60	-	-	41.60
1212	Bill Drafting Division	22.00	-	-	22.00
1213	Legislative Analysis Division	48.00	-	-	48.00
1214	Fiscal Research Division	40.00	-	-	40.00
1215	Building Maintenance	25.00	-	-	25.00
1216	Food Service	16.25	-	-	16.25
1217	Information Systems	42.00	-	-	42.00
1219	Program Evaluation Division	14.00	-	-	14.00
1220	Legislative - Research	-	-	-	-
1900	Committees and Other Reserves	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		**480.95**	-	-	**480.95**

(6.0) General Assembly

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$63,476,017**		**$63,476,017**	
Legislative Changes				
Reserve for Salaries and Benefits				
30 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$1,005,601	R	$1,005,601	R
31 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$128,425	R	$595,749	R
32 Legislative Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Legislative Retirement System (LRS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for LRS is $879,660 in FY 2017-18 and $888,710 in FY 2018-19.	$10,860	R	$18,824	R
33 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$205,370	R	$435,188	R

	FY 17-18		FY 18-19	
Committees and Other Reserves				
34 Military Operations Study **Fund Code:** 1900 Provides funding for a study of the extent and scope of all military operations in the State in order to create a suite of maps and other relevant data regarding the State's air and water-based military operations. The revised net appropriation for this fund is $431,000 in FY 2017-18 and $281,000 in FY 2018-19.	$150,000	NR		
Program Evaluation Division				
35 Measurability Assessment and Efficiency Study **Fund Code:** 1219 Provides funding for the Program Evaluation Division (PED) to contract for a measurability assessment and efficiency study of the Department of Administration. PED is directed to coordinate with the Office of the State Auditor to identify programs for review. The revised net appropriation for this fund is $1.9 million in FY 2017-18 and $1.7 million in FY 2018-19.	$150,000	NR		
Total Legislative Changes	**$1,350,256** **$300,000**	R NR	**$2,055,362**	R
Total Position Changes				
Revised Budget	**$65,126,273**		**$65,531,379**	

Office of the Governor
Budget Code 13000

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$7,005,279	$7,005,279
Receipts	$1,211,165	$1,211,165
Net Appropriation	$5,794,114	$5,794,114
Legislative Changes		
Requirements	$93,265	$151,138
Receipts	$0	$0
Net Appropriation	$93,265	$151,138
Revised Budget		
Requirements	$7,098,544	$7,156,417
Receipts	$1,211,165	$1,211,165
Net Appropriation	$5,887,379	$5,945,252

General Fund FTE		
Base Budget	61.77	61.77
Legislative Changes	0.00	0.00
Revised Budget	61.77	61.77

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of the Governor Budget Code 13000		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	6,341,860	1,092,868	5,248,992	-	-	-	6,341,860	1,092,868	5,248,992
1631	Raleigh Executive Residence	647,960	111,297	536,663	-	-	-	647,960	111,297	536,663
1632	Western Executive Residence	15,459	7,000	8,459	-	-	-	15,459	7,000	8,459
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	69,669	-	69,669	69,669	-	69,669
N/A	State Retirement Contribution	-	-	-	12,489	-	12,489	12,489	-	12,489
N/A	State Health Plan Reserve	-	-	-	11,107	-	11,107	11,107	-	11,107
Total		**7,005,279**	**1,211,165**	**5,794,114**	**93,265**	**-**	**93,265**	**7,098,544**	**1,211,165**	**5,887,379**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of the Governor Budget Code 13000		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	6,341,860	1,092,868	5,248,992	-	-	-	6,341,860	1,092,868	5,248,992
1631	Raleigh Executive Residence	647,960	111,297	536,663	-	-	-	647,960	111,297	536,663
1632	Western Executive Residence	15,459	7,000	8,459	-	-	-	15,459	7,000	8,459
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	69,669	-	69,669	69,669	-	69,669
N/A	State Retirement Contribution	-	-	-	57,933	-	57,933	57,933	-	57,933
N/A	State Health Plan Reserve	-	-	-	23,536	-	23,536	23,536	-	23,536
Total		**$7,005,279**	**$1,211,165**	**$5,794,114**	**$151,138**	**$0**	**$151,138**	**$7,156,417**	**$1,211,165**	**$5,945,252**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of the Governor					
Budget Code 13000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	58.77	-	-	58.77
1631	Raleigh Executive Residence	3.00	-	-	3.00
1632	Western Executive Residence	-	-	-	-
Total FTE		**61.77**	**-**	**-**	**61.77**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of the Governor					
Budget Code 13000		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	58.77	-	-	58.77
1631	Raleigh Executive Residence	3.00	-	-	3.00
1632	Western Executive Residence	-	-	-	-
Total FTE		**61.77**	**-**	**-**	**61.77**

(7.0) Governor

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$5,794,114**		**$5,794,114**	
Legislative Changes				
Reserve for Salaries and Benefits				
36 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$69,669	R	$69,669	R
37 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$12,489	R	$57,933	R
38 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$11,107	R	$23,536	R
Total Legislative Changes	**$93,265**	R	**$151,138**	R
Total Position Changes				
Revised Budget	**$5,887,379**		**$5,945,252**	

Office of the Governor - Special
Budget Code 13001

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$2,001,118	$2,001,118
Receipts	$0	$0
Net Appropriation	$2,001,118	$2,001,118
Legislative Changes		
Requirements	$507	$507
Receipts	$0	$0
Net Appropriation	$507	$507
Revised Budget		
Requirements	$2,001,625	$2,001,625
Receipts	$0	$0
Net Appropriation	$2,001,625	$2,001,625

General Fund FTE		
Base Budget	4.34	4.34
Legislative Changes	0.00	0.00
Revised Budget	4.34	4.34

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of the Governor - Special		Base Budget			Legislative Changes			Revised Budget		
Budget Code 13001										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1A15	Education and Workforce Innovation Program	2,001,118	-	2,001,118	-	-	-	2,001,118	-	2,001,118
1R30	Governor's Special Projects	-	-	-	-	-	-	-	-	-
1R31	Race to the Top - DPA	-	-	-	-	-	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	507	-	507	507	-	507
N/A	State Retirement Contribution	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-
Total		2,001,118	-	2,001,118	507	-	507	2,001,625	-	2,001,625

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of the Governor - Special Budget Code 13001		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1A15	Education and Workforce Innovation Program	2,001,118	-	2,001,118	-	-	-	2,001,118	-	2,001,118
1R30	Governor's Special Projects	-	-	-	-	-	-	-	-	-
1R31	Race to the Top - DPA	-	-	-	-	-	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	507	-	507	507	-	507
N/A	State Retirement Contribution	-	-	-	-	-	-	-	-	-
N/A	State Health Plan Reserve	-	-	-	-	-	-	-	-	-
Total		$2,001,118	$0	$2,001,118	$507	$0	$507	$2,001,625	$0	$2,001,625

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of the Governor - Special					
Budget Code 13001		Base	Legislative Changes		Revised
Fund Code	**Fund Name**	**Total Requirements**	**Net Appropriation**	**Receipts**	**Total Requirements**
1A15	Education and Workforce Innovation Program	0.65	-	-	0.65
1R30	Governor's Special Projects	3.69	-	-	3.69
1R31	Race to the Top - DPA	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-
Total FTE		**4.34**	**-**	**-**	**4.34**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of the Governor - Special					
Budget Code 13001		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1A15	Education and Workforce Innovation Program	0.65	-	-	0.65
1R30	Governor's Special Projects	3.69	-	-	3.69
1R31	Race to the Top - DPA	-	-	-	-
1R32	Race to the Top - DPI - LEA Transfers	-	-	-	-
Total FTE		**4.34**	**-**	**-**	**4.34**

(8.0) Governor - Special Projects

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$2,001,118**		**$2,001,118**	
Legislative Changes				
Reserve for Salaries and Benefits				
39 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$507	R	$507	R
Total Legislative Changes	**$507**	R	**$507**	R
Total Position Changes				
Revised Budget	**$2,001,625**		**$2,001,625**	

Office of State Budget and Management
Budget Code 13005

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$8,078,957	$8,078,957
Receipts	$118,487	$118,487
Net Appropriation	$7,960,470	$7,960,470
Legislative Changes		
Requirements	$49,373	$124,071
Receipts	$0	$0
Net Appropriation	$49,373	$124,071
Revised Budget		
Requirements	$8,128,330	$8,203,028
Receipts	$118,487	$118,487
Net Appropriation	$8,009,843	$8,084,541

General Fund FTE		
Base Budget	58.00	58.00
Legislative Changes	(1.00)	(1.00)
Revised Budget	57.00	57.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of State Budget and Management Budget Code 13005		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Office of State Budget and Management	8,078,957	118,487	7,960,470	(70,129)	-	(70,129)	8,008,828	118,487	7,890,341
1322	NC GEAR	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	90,685	-	90,685	**90,685**	-	90,685
N/A	State Retirement Contribution				16,847	-	16,847	**16,847**	-	16,847
N/A	State Health Plan Reserve	-	-	-	11,970	-	11,970	**11,970**	-	11,970
Total		**8,078,957**	**118,487**	**7,960,470**	**49,373**	**-**	**49,373**	**8,128,330**	**118,487**	**8,009,843**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of State Budget and Management Budget Code 13005		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Office of State Budget and Management	8,078,957	118,487	7,960,470	(70,129)	-	(70,129)	8,008,828	118,487	7,890,341
1322	NC GEAR	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	90,685	-	90,685	90,685	-	90,685
N/A	State Retirement Contribution				78,150	-	78,150	78,150	-	78,150
N/A	State Health Plan Reserve	-	-	-	25,365	-	25,365	25,365	-	25,365
Total		**8,078,957**	**118,487**	**7,960,470**	**124,071**	**-**	**124,071**	**8,203,028**	**118,487**	**8,084,541**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of State Budget and Management					
Budget Code 13005		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1310	Office of State Budget and Management	58.00	(1.00)	-	57.00
1322	NC GEAR	-	-	-	-
Total FTE		**58.00**	**(1.00)**	**-**	**57.00**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of State Budget and Management					
Budget Code 13005		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1310	Office of State Budget and Management	58.00	(1.00)	-	57.00
1322	NC GEAR		-	-	-
Total FTE		**58.00**	**(1.00)**	-	**57.00**

(9.0) State Budget & Management

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$7,960,470**		**$7,960,470**	
Legislative Changes				
Reserve for Salaries and Benefits				
40 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$90,685	R	$90,685	R
41 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$16,847	R	$78,150	R
42 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$11,970	R	$25,365	R
Department-Wide				
43 Position Elimination **Fund Code:** 1310 Eliminates 1 Technology Support Analyst position (65020653) that has been vacant for over 3 years. The revised net appropriation for the Office of State Budget and Management is $8.0 million in FY 2017-18 and $8.1 million in FY 2018-19.	($70,129) -1.00	R	($70,129) -1.00	R

	FY 17-18		FY 18-19	
Total Legislative Changes	**$49,373**	R	**$124,071**	R
Total Position Changes	-1.00		-1.00	
Revised Budget	**$8,009,843**		**$8,084,541**	

Dorothea Dix Land Proceeds

Budget Code: 63008

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$50,554,291**	**$41,004,291**
Recommended Budget		
Requirements	**$0**	**$0**
Receipts	**$450,000**	**$450,000**
Positions	**0.00**	**0.00**

Legislative Changes

Requirements:

Inpatient Behavioral Health Beds Transfers funds to the Department of Health and Human Services, Budget Code 24460 for the purpose of expanding inpatient capacity, especially in rural areas near counties with limited inpatient capacity relative to their needs through constructing new beds or renovating existing beds to form new inpatient psychiatric units or new facility-based crisis centers, prioritizing rural hospitals in the process.	$0 $8,000,000 0.00	R NR	$0 $0 0.00	R NR
Child Facility-Base Crisis Center Transfers funds to the Department of Health and Human Services, Budget Code 24460 for start-up costs (renovation or construction) to establish 1 or 2 child facility-based crisis centers, at least 1 of which will be in the south/east/central region. Funds will be awarded on a competitive basis, and will be available across 2 years because construction and renovation tends to take longer than 1 year.	$0 $2,000,000 0.00	R NR	$0 $0 0.00	R NR
Subtotal Legislative Changes	**$0** **$10,000,000** 0.00	R NR	**$0** **$0** 0.00	R NR

Receipts:

	FY 2017-18	FY 2018-19
Dorothea Dix Land Proceeds	$0 R	$0 R
	$0 NR	$0 NR
Subtotal Legislative Changes	**$0** R	**$0** R
	$0 NR	**$0** NR
Revised Total Requirements	**$10,000,000**	**$0**
Revised Total Receipts	**$450,000**	**$450,000**
Change in Fund Balance	**($9,550,000)**	**$450,000**
Total Positions	**0.00**	**0.00**
Unappropriated Balance Remaining	**$41,004,291**	**$41,454,291**

OSBM - Special
Budget Code 13085

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$2,000,000	$2,000,000
Receipts	$0	$0
Net Appropriation	$2,000,000	$2,000,000
Legislative Changes		
Requirements	$0	$0
Receipts	$0	$0
Net Appropriation	$0	$0
Revised Budget		
Requirements	$2,000,000	$2,000,000
Receipts	$0	$0
Net Appropriation	$2,000,000	$2,000,000

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

OSBM - Special Budget Code 13085		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1022	Special Appropriations	2,000,000	-	2,000,000	-	-	-	2,000,000	-	2,000,000
Undesignated Items										
Total		2,000,000	-	2,000,000	-	-	-	2,000,000	-	2,000,000

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

OSBM - Special Budget Code 13085		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1022	Special Appropriations	2,000,000	-	2,000,000	-	-	-	2,000,000	-	2,000,000
Undesignated Items										
Total		2,000,000	-	2,000,000	-	-	-	2,000,000	-	2,000,000

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

OSBM - Special					
Budget Code 13085		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1022	Special Appropriations	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

OSBM - Special					
Budget Code 13085		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1022	Special Appropriations	-	-	-	-
Total FTE		-	-	-	-

(10.0) State Budget and Management - Special

	GENERAL FUND	
	FY 17-18	FY 18-19
Recommended Base Budget	$2,000,000	$2,000,000
Legislative Changes		
44 No Legislative Changes		
Fund Code:		
Total Legislative Changes		
Total Position Changes		
Revised Budget	$2,000,000	$2,000,000

Department of Revenue
Budget Code 14700

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$138,664,960	$138,664,960
Receipts	$55,458,890	$55,458,890
Net Appropriation	$83,206,070	$83,206,070
Legislative Changes		
Requirements	$1,496,456	$2,334,815
Receipts	$0	$0
Net Appropriation	$1,496,456	$2,334,815
Revised Budget		
Requirements	$140,161,416	$140,999,775
Receipts	$55,458,890	$55,458,890
Net Appropriation	$84,702,526	$85,540,885

General Fund FTE		
Base Budget	1,470.91	1,470.91
Legislative Changes	(3.00)	(3.00)
Revised Budget	1,467.91	1,467.91

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Revenue Budget Code 14700		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1600	Administration	3,348,313	-	3,348,313	-	-	-	3,348,313	-	3,348,313
1601	Enterprise Project Management Office	780,128	-	780,128	-	-	-	780,128	-	780,128
1603	Human Resources	1,775,598	-	1,775,598	-	-	-	1,775,598	-	1,775,598
1605	Information Technology	16,876,783	413,232	16,463,551	-	-	-	16,876,783	413,232	16,463,551
1607	Revenue Research	447,299	-	447,299	-	-	-	447,299	-	447,299
1609	Criminal Investigations	887,087	-	887,087	-	-	-	887,087	-	887,087
1624	Income tax division	2,306,019	-	2,306,019	-	-	-	2,306,019	-	2,306,019
1625	Excise Tax Division	207,200	-	207,200	-	-	-	207,200	-	207,200
1627	Sales and Use Taxes	1,442,510	-	1,442,510	-	-	-	1,442,510	-	1,442,510
1629	Local Government Division	5,156,563	5,156,563	-	-	-	-	5,156,563	5,156,563	-
1643	Taxpayer Assistance	9,410,439	304,125	9,106,314	-	-	-	9,410,439	304,125	9,106,314
1660	Collection	230,832	-	230,832	-	-	-	230,832	-	230,832
1661	Project Collect Tax	27,588,723	27,588,723	-	-	-	-	27,588,723	27,588,723	-
1662	Taxpayer Call Center	10,353,222	10,353,222	-	-	-	-	10,353,222	10,353,222	-
1663	Examination	25,755,979	-	25,755,979	-	-	-	25,755,979	-	25,755,979
1670	Unauthorized Substance Tax	1,630,339	-	1,630,339	-	-	-	1,630,339	-	1,630,339
1681	Business Operations	7,616,874	458,373	7,158,501	-	-	-	7,616,874	458,373	7,158,501
1683	Financial Services	872,912	-	872,912	-	-	-	872,912	-	872,912
1685	Documents and Payments Processing	12,015,215	1,221,727	10,793,488	(120,801)	-	(120,801)	11,894,414	1,221,727	10,672,687
1700	Motor Fuels	5,090,340	5,090,340	-	-	-	-	5,090,340	5,090,340	-
1708	International Registration	233,055	233,055	-	-	-	-	233,055	233,055	-
1710	Fuel Tax Compliance	1,616,169	1,616,169	-	-	-	-	1,616,169	1,616,169	-
1711	Federal Grant - Joint Operations Center	590,791	590,791	-	-	-	-	590,791	590,791	-
1800	White Goods - Disposal Tax	425,000	425,000	-	-	-	-	425,000	425,000	-
1820	Scrap Tire Disposal Tax	425,000	425,000	-	-	-	-	425,000	425,000	-
1830	Public Transit Tax	732,570	732,570	-	-	-	-	732,570	732,570	-
1840	Dry Cleaning Solvent Tax	125,000	125,000	-	-	-	-	125,000	125,000	-
1870	Solid Waste Disposal Tax	225,000	225,000	-	-	-	-	225,000	225,000	-
1880	911 - Service Charge	500,000	500,000	-	-	-	-	500,000	500,000	-
1900	Reserves and Transfers	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,261,929	-	1,261,929	1,261,929	-	1,261,929
N/A	State Retirement Contribution	-	-	-	174,904	-	174,904	174,904	-	174,904
N/A	State Health Plan Reserve	-	-	-	180,424	-	180,424	180,424	-	180,424
Total		**138,664,960**	**55,458,890**	**83,206,070**	**1,496,456**	**-**	**1,496,456**	**140,161,416**	**55,458,890**	**84,702,526**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Revenue Budget Code 14700		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1600	Administration	3,348,313	-	3,348,313	-	-	-	3,348,313	-	3,348,313
1601	Enterprise Project Management Office	780,128	-	780,128	-	-	-	780,128	-	780,128
1603	Human Resources	1,775,598	-	1,775,598	-	-	-	1,775,598	-	1,775,598
1605	Information Technology	16,876,783	413,232	16,463,551	-	-	-	16,876,783	413,232	16,463,551
1607	Revenue Research	447,299	-	447,299	-	-	-	447,299	-	447,299
1609	Criminal Investigations	887,087	-	887,087	-	-	-	887,087	-	887,087
1624	Income tax division	2,306,019	-	2,306,019	-	-	-	2,306,019	-	2,306,019
1625	Excise Tax Division	207,200	-	207,200	-	-	-	207,200	-	207,200
1627	Sales and Use Taxes	1,442,510	-	1,442,510	-	-	-	1,442,510	-	1,442,510
1629	Local Government Division	5,156,563	5,156,563	-	-	-	-	5,156,563	5,156,563	-
1643	Taxpayer Assistance	9,410,439	304,125	9,106,314	-	-	-	9,410,439	304,125	9,106,314
1660	Collection	230,832	-	230,832	-	-	-	230,832	-	230,832
1661	Project Collect Tax	27,588,723	27,588,723	-	-	-	-	27,588,723	27,588,723	-
1662	Taxpayer Call Center	10,353,222	10,353,222	-	-	-	-	10,353,222	10,353,222	-
1663	Examination	25,755,979	-	25,755,979	-	-	-	25,755,979	-	25,755,979
1670	Unauthorized Substance Tax	1,630,339	-	1,630,339	-	-	-	1,630,339	-	1,630,339
1681	Business Operations	7,616,874	458,373	7,158,501	-	-	-	7,616,874	458,373	7,158,501
1683	Financial Services	872,912	-	872,912	-	-	-	872,912	-	872,912
1685	Documents and Payments Processing	12,015,215	1,221,727	10,793,488	(120,801)	-	(120,801)	11,894,414	1,221,727	10,672,687
1700	Motor Fuels	5,090,340	5,090,340	-	-	-	-	5,090,340	5,090,340	-
1708	International Registration	233,055	233,055	-	-	-	-	233,055	233,055	-
1710	Fuel Tax Compliance	1,616,169	1,616,169	-	-	-	-	1,616,169	1,616,169	-
1711	Federal Grant - Joint Operations Center	590,791	590,791	-	-	-	-	590,791	590,791	-
1800	White Goods - Disposal Tax	425,000	425,000	-	-	-	-	425,000	425,000	-
1820	Scrap Tire Disposal Tax	425,000	425,000	-	-	-	-	425,000	425,000	-
1830	Public Transit Tax	732,570	732,570	-	-	-	-	732,570	732,570	-
1840	Dry Cleaning Solvent Tax	125,000	125,000	-	-	-	-	125,000	125,000	-
1870	Solid Waste Disposal Tax	225,000	225,000	-	-	-	-	225,000	225,000	-
1880	911 - Service Charge	500,000	500,000	-	-	-	-	500,000	500,000	-
1900	Reserves and Transfers	-	-	-	-	-	-	-	-	-
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	1,261,929	-	1,261,929	1,261,929	-	1,261,929
N/A	State Retirement Contribution	-	-	-	811,361	-	811,361	811,361	-	811,361
N/A	State Health Plan Reserve	-	-	-	382,326	-	382,326	382,326	-	382,326
Total		**138,664,960**	**55,458,890**	**83,206,070**	**2,334,815**	**-**	**2,334,815**	**140,999,775**	**55,458,890**	**85,540,885**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Revenue					
Budget Code 14700		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1600	Administration	24.65	-	-	24.65
1601	Enterprise Project Management Office	8.00	-	-	8.00
1603	Human Resources	22.00	-	-	22.00
1605	Information Technology	100.50	-	-	100.50
1607	Revenue Research	7.00	-	-	7.00
1609	Criminal Investigations	7.31	-	-	7.31
1624	Income tax division	19.94	-	-	19.94
1625	Excise Tax Division	1.84	-	-	1.84
1627	Sales and Use Taxes	13.39	-	-	13.39
1629	Local Government Division	32.00	-	-	32.00
1643	Taxpayer Assistance	139.59	-	-	139.59
1660	Collection	2.00	-	-	2.00
1661	Project Collect Tax	336.85	-	-	336.85
1662	Taxpayer Call Center	137.00	-	-	137.00
1663	Examination	279.03	-	-	279.03
1670	Unauthorized Substance Tax	19.62	-	-	19.62
1681	Business Operations	22.00	-	-	22.00
1683	Financial Services	11.00	-	-	11.00
1685	Documents and Payments Processing	197.83	(3.00)	-	194.83
1700	Motor Fuels	46.06	-	-	46.06
1708	International Registration	2.46	-	-	2.46
1710	Fuel Tax Compliance	13.12	-	-	13.12
1711	Federal Grant - Joint Operations Center	1.72	-	-	1.72
1800	White Goods - Disposal Tax	5.83	-	-	5.83
1820	Scrap Tire Disposal Tax	5.83	-	-	5.83
1830	Public Transit Tax	7.51	-	-	7.51
1840	Dry Cleaning Solvent Tax	-	-	-	-
1870	Solid Waste Disposal Tax	1.00	-	-	1.00
1880	911 - Service Charge	5.83	-	-	5.83
1900	Reserves and Transfers	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		**1,470.91**	**(3.00)**	**-**	**1,467.91**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Revenue					
Budget Code 14700		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1600	Administration	24.65	-	-	24.65
1601	Enterprise Project Management Office	8.00	-	-	8.00
1603	Human Resources	22.00	-	-	22.00
1605	Information Technology	100.50	-	-	100.50
1607	Revenue Research	7.00	-	-	7.00
1609	Criminal Investigations	7.31	-	-	7.31
1624	Income tax division	19.94	-	-	19.94
1625	Excise Tax Division	1.84	-	-	1.84
1627	Sales and Use Taxes	13.39	-	-	13.39
1629	Local Government Division	32.00	-	-	32.00
1643	Taxpayer Assistance	139.59	-	-	139.59
1660	Collection	2.00	-	-	2.00
1661	Project Collect Tax	336.85	-	-	336.85
1662	Taxpayer Call Center	137.00	-	-	137.00
1663	Examination	279.03	-	-	279.03
1670	Unauthorized Substance Tax	19.62	-	-	19.62
1681	Business Operations	22.00	-	-	22.00
1683	Financial Services	11.00	-	-	11.00
1685	Documents and Payments Processing	197.83	(3.00)	-	194.83
1700	Motor Fuels	46.06	-	-	46.06
1708	International Registration	2.46	-	-	2.46
1710	Fuel Tax Compliance	13.12	-	-	13.12
1711	Federal Grant - Joint Operations Center	1.72	-	-	1.72
1800	White Goods - Disposal Tax	5.83	-	-	5.83
1820	Scrap Tire Disposal Tax	5.83	-	-	5.83
1830	Public Transit Tax	7.51	-	-	7.51
1840	Dry Cleaning Solvent Tax	-	-	-	-
1870	Solid Waste Disposal Tax	1.00	-	-	1.00
1880	911 - Service Charge	5.83	-	-	5.83
1900	Reserves and Transfers	-	-	-	-
N/A	Position Eliminations	-	-	-	-
Total FTE		**1,470.91**	**(3.00)**	**-**	**1,467.91**

(11.0) Revenue

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$83,206,070**		**$83,206,070**	
Legislative Changes				
Reserve for Salaries and Benefits				
45 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$1,261,929	R	$1,261,929	R
46 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$174,904	R	$811,361	R
47 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$180,424	R	$382,326	R

	FY 17-18		FY 18-19	
Documents and Payments Processing				
48 Position Eliminations **Fund Code:** 1685	($120,801)	R	($120,801)	R
Eliminates the following 3 positions that have been vacant in excess of 10 months: 60082968 Processing Assistant IV 60082578 Processing Assistant IV 60082622 Processing Assistant IV The revised net appropriation for this fund code is $10.7 million in each year of the biennium.	-3.00		-3.00	
Total Legislative Changes	**$1,496,456**	R	**$2,334,815**	R
Total Position Changes	-3.00		-3.00	
Revised Budget	**$84,702,526**		**$85,540,885**	

Project Collect Tax

Budget Code: 24704

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$56,992,373**	**$20,723,466**
Recommended Budget		
Requirements	**$37,775,826**	**$37,775,826**
Receipts	**$33,060,361**	**$33,060,361**
Positions	**0.00**	**0.00**

Legislative Changes

Requirements:

Operations and Maintenance for Tax Systems Provides funds to DOR from the Collections Assistance Fee (CAF) to support Portfolio Warehouse, Modernize eFile and tax systems operations and maintenance upgrades. The revised appropriation for all changes is $69,329,268 in FY 2017-18.	$0 $7,153,442 0.00	R NR	$0 $0 0.00	R NR
Identity Theft and Tax Fraud Analysis Provides funds to DOR from the Collections Assistance Fee (CAF) to contract with a vendor to perform tax fraud analysis using the Government Data Analytics Center (GDAC) and to pay for identity theft protection information technology upgrades. The revised appropriation for all changes is $69,329,268 for FY 2017-18.	$0 $4,400,000 0.00	R NR	$0 $0 0.00	R NR
Collections Case Management System Provides funds to DOR from the Collections Assistance Fee (CAF) to implement a new tax collection system. The revised appropriation for all changes is $69,329,268 for FY 2017-18.	$0 $20,000,000 0.00	R NR	$0 $0 0.00	R NR
Subtotal Legislative Changes	**$0** **$31,553,442** 0.00	R NR	**$0** **$0** 0.00	R NR

Receipts:

	FY 2017-18	FY 2018-19
Operations and Maintenance for Tax Systems	$0 R	$0 R
	$0 NR	$0 NR
Identity Theft and Tax Fraud Analysis	$0 R	$0 R
	$0 NR	$0 NR
Collections Case Management	$0 R	$0 R
	$0 NR	$0 NR
Subtotal Legislative Changes	**$0** R	**$0** R
	$0 NR	**$0** NR
Revised Total Requirements	**$69,329,268**	**$37,775,826**
Revised Total Receipts	**$33,060,361**	**$33,060,361**
Change in Fund Balance	**($36,268,907)**	**($4,715,465)**
Total Positions	**0.00**	**0.00**
Unappropriated Balance Remaining	**$20,723,466**	**$16,008,001**

ITAS Replacement

Budget Code: 24708

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$5,346,558**		**$0**	
Recommended Budget				
Requirements	**$2,000,000**		**$2,000,000**	
Receipts	**$2,000,000**		**$2,000,000**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Operations and Maintenance for Tax Systems Provides funds to DOR from Integrated Tax Administration System (ITAS) Replacement to support Portfolio Warehouse, Modernize eFile and tax systems operations and maintenance upgrades. The revised appropriation for FY 2017-18 is $5,346,558.	$0 R $5,346,558 NR 0.00		$0 R $0 NR 0.00	
Subtotal Legislative Changes	**$0** R **$5,346,558** NR 0.00		**$0** R **$0** NR 0.00	
Receipts:				
Operations and Maintenance for Tax Systems	$0 R $0 NR		$0 R $0 NR	
Subtotal Legislative Changes	**$0** R **$0** NR		**$0** R **$0** NR	

	FY 2017-18	FY 2018-19
Revised Total Requirements	$7,346,558	$2,000,000
Revised Total Receipts	$2,000,000	$2,000,000
Change in Fund Balance	($5,346,558)	$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$0	$0

Office of State Controller
Budget Code 14160

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$24,174,328	$24,174,328
Receipts	$821,119	$821,119
Net Appropriation	$23,353,209	$23,353,209
Legislative Changes		
Requirements	$226,649	$596,257
Receipts	$0	$0
Net Appropriation	$226,649	$596,257
Revised Budget		
Requirements	$24,400,977	$24,770,585
Receipts	$821,119	$821,119
Net Appropriation	$23,579,858	$23,949,466

General Fund FTE		
Base Budget	169.01	169.01
Legislative Changes	0.00	0.00
Revised Budget	169.01	169.01

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of State Controller Budget Code 14160		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	Office of State Controller	24,174,328	821,119	23,353,209	(66,621)	-	(66,621)	24,107,707	821,119	23,286,588
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	218,837	-	218,837	218,837	-	218,837
N/A	State Retirement Contribution	-	-	-	41,001	-	41,001	41,001	-	41,001
N/A	State Health Plan Reserve	-	-	-	33,432	-	33,432	33,432	-	33,432
Total		**24,174,328**	**821,119**	**23,353,209**	**226,649**	**-**	**226,649**	**24,400,977**	**821,119**	**23,579,858**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of State Controller					
Budget Code 14160		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	Office of State Controller	169.01	-	-	169.01
Total FTE		169.01	-	-	169.01

(12.0) State Controller

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$23,353,209**		**$23,353,209**	
Legislative Changes				
Reserve for Salaries and Benefits				
49 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$218,837	R	$218,837	R
50 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$41,001	R	$190,201	R
51 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$33,432	R	$70,844	R
Department-Wide				
52 Lease Reduction **Fund Code:** 1000 Reduces the amount of funds available for leased space due to renegotiation of a 10-year contract. The revised net appropriation available for leased space for the Office of State Controller for FY 2017-18 is $576,826 and $759,822 for FY 2018-19.	($266,029) ($182,996)	R NR	($266,029)	R

	FY 17-18		FY 18-19	
Department-Wide				
53 Information Technology Service Contracts **Fund Code:** 1000 Provides additional funds for service contracts including the North Carolina Accounting System, Cash Management System, HR Payroll System and others that support the Office of State Controller responsibilities. The revised net appropriation for these service contracts is $2.5 million in each year of the biennium.	$382,404	R	$382,404	R
Total Legislative Changes	**$409,645** **($182,996)**	R NR	**$596,257**	R
Total Position Changes				
Revised Budget	**$23,579,858**		**$23,949,466**	

NC Flex FICA Reserve

Budget Code: 24160

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$10,338,618**		**$8,294,459**	
Recommended Budget				
Requirements	**$7,844,159**		**$7,844,159**	
Receipts	**$7,300,000**		**$7,300,000**	
Positions	**0.00**		**0.00**	
Legislative Changes				
Requirements:				
Federal Insurance Contribution Act Savings	$0	R	$0	R
Transfers $1.5 million in FY 2017-18 to General Fund availability to offset nonrecurring General Government appropriations.	$1,500,000	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$1,500,000	NR	**$0**	NR
	0.00		0.00	
Receipts:				
Federal Insurance Contribution Act Savings	$0	R	$0	R
	$0	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$0	NR	**$0**	NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$9,344,159	$7,844,159
Revised Total Receipts	$7,300,000	$7,300,000
Change in Fund Balance	($2,044,159)	($544,159)
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$8,294,459	$7,750,300

Office of Administrative Hearings
Budget Code 18210

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$7,150,460	$7,150,460
Receipts	$1,796,203	$1,796,203
Net Appropriation	$5,354,257	$5,354,257
Legislative Changes		
Requirements	$555,940	$654,148
Receipts	$3,618	$3,618
Net Appropriation	$552,322	$650,530
Revised Budget		
Requirements	$7,706,400	$7,804,608
Receipts	$1,799,821	$1,799,821
Net Appropriation	$5,906,579	$6,004,787

General Fund FTE		
Base Budget	49.50	49.50
Legislative Changes	6.29	6.29
Revised Budget	55.79	55.79

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of Administrative Hearings Budget Code 18210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Operations	7,150,460	1,796,203	5,354,257	466,455	3,618	462,837	7,616,915	1,799,821	5,817,094
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	67,355	-	67,355	**67,355**	-	**67,355**
N/A	State Retirement Contribution	-	-	-	12,260	-	12,260	**12,260**	-	**12,260**
N/A	State Health Plan Reserve	-	-	-	9,870	-	9,870	**9,870**	-	**9,870**
Total		**7,150,460**	**1,796,203**	**5,354,257**	**555,940**	**3,618**	**552,322**	**7,706,400**	**1,799,821**	**5,906,579**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of Administrative Hearings Budget Code 18210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Operations	7,150,460	1,796,203	5,354,257	509,004	3,618	505,386	7,659,464	1,799,821	5,859,643
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	67,355	-	67,355	67,355	-	67,355
N/A	State Retirement Contribution	-	-	-	56,874	-	56,874	56,874	-	56,874
N/A	State Health Plan Reserve	-	-	-	20,915	-	20,915	20,915	-	20,915
Total		**7,150,460**	**1,796,203**	**5,354,257**	**654,148**	**3,618**	**650,530**	**7,804,608**	**1,799,821**	**6,004,787**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of Administrative Hearings					
Budget Code 18210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Operations	49.50	6.29	-	55.79
Total FTE		**49.50**	**6.29**	**-**	**55.79**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of Administrative Hearings					
Budget Code 18210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Operations	49.50	6.29	-	55.79
Total FTE		**49.50**	**6.29**	**-**	**55.79**

(13.0) Office of Administrative Hearings

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$5,354,257**		**$5,354,257**	
Legislative Changes				
Reserve for Salaries and Benefits				
54 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$67,355	R	$67,355	R
55 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$12,260	R	$56,874	R
56 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$9,870	R	$20,915	R

	FY 17-18		FY 18-19	
Civil Rights Division				
57 Civil Rights Investigator	$43,626	R	$87,251	R
Fund Code: 1100	$1,076	NR		
	1.00		1.00	
Provides funding for 1 additional Civil Rights Investigator position effective January 1, 2018 and start-up costs associated with the position. The funds include the annual salary level of $60,693 and annual benefits and operating costs for the position. The revised net appropriation from all changes for OAH is $5.9 million in FY 2017-18 and $6.0 million in FY 2018-19.				
58 Human Relations Commission Transfer	$418,135	R	$418,135	R
Fund Code: 1100				
	5.29		5.29	
Transfers all funding and positions for the Human Relations Commission from the Department of Administration to the Office of Administrative Hearings as a Type I transfer. The Human Relations Commission will become part of the Civil Rights Division within OAH. The revised net appropriation from all changes for the Office of Administrative Hearings is $5.9 million in FY 2017-18 and $6.0 million in FY 2018-19.				
Hearings Division				
59 Medicaid Administrative Law Judge				
Fund Code: 1100				
Provides funding for an upgrade of an Attorney II position to a newly designated Medicaid Administrative Law Judge position. The total increase in costs for the upgrade is $3,618. The revised amount to be transferred from the Department of Health and Human Services is $136,201 in support of this position. The revised net appropriation from all changes for the Office of Administrative Hearings is $5.9 million in FY 2017-18 and $6.0 million in FY 2018-19.				
Total Legislative Changes	**$551,246**	R	**$650,530**	R
	$1,076	NR		
Total Position Changes	6.29		6.29	
Revised Budget	**$5,906,579**		**$6,004,787**	

Department of Administration
Budget Code 14100

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$73,622,445	$73,622,445
Receipts	$11,636,042	$11,636,042
Net Appropriation	$61,986,403	$61,986,403
Legislative Changes		
Requirements	$542,114	$872,845
Receipts	$263,070	$263,070
Net Appropriation	$279,044	$609,775
Revised Budget		
Requirements	$74,164,559	$74,495,290
Receipts	$11,899,112	$11,899,112
Net Appropriation	$62,265,447	$62,596,178

General Fund FTE		
Base Budget	429.25	429.25
Legislative Changes	(8.35)	(8.35)
Revised Budget	420.90	420.90

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Administration		Base Budget			Legislative Changes			Revised Budget		
Budget Code 14100										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Office of the Secretary	1,825,465	176,355	1,649,110	50,000	-	50,000	1,875,465	176,355	1,699,110
1121	Fiscal Management	1,956,622	710,331	1,246,291	-	-	-	1,956,622	710,331	1,246,291
1122	Personnel	837,632	189,952	647,680	-	-	-	837,632	189,952	647,680
1123	Ofc. for Historically Underutilized Businesses	620,484	129,382	491,102	-	-	-	620,484	129,382	491,102
1124	Justice for Sterilization Victims	-	-	-	-	-	-	-	-	-
1230	Non-Public Education	449,770	-	449,770	-	-	-	449,770	-	449,770
1241	Management Information Systems	869,354	34,330	835,024	-	-	-	869,354	34,330	835,024
1311	Office of State Human Resources	8,349,341	115,619	8,233,722	-	-	-	8,349,341	115,619	8,233,722
1411	State Construction Office	6,291,050	693,708	5,597,342	-	-	-	6,291,050	693,708	5,597,342
1412	State Property Office	1,688,254	738,107	950,147	-	-	-	1,688,254	738,107	950,147
1421	*Facilities Management Division*	31,271,709	3,668,687	27,603,022	-	-	-	31,271,709	3,668,687	27,603,022
1511	Purchase and Contract	3,052,158	-	3,052,158	-	-	-	3,052,158	-	3,052,158
1731	Council for Women and Domestic Violence	1,069,679	-	1,069,679	-	-	-	1,069,679	-	1,069,679
1732	Displaced Homemakers	-	-	-	-	-	-	-	-	-
1734	Sexual Assault Program	2,895,560	-	2,895,560	-	-	-	2,895,560	-	2,895,560
1741	Human Relations Commission	580,844	-	580,844	(580,844)	-	(580,844)	-	-	-
1742	Martin Luther King Commission	23,378	-	23,378	-	-	-	23,378	-	23,378
1761	Youth Advocacy and Involvement Office	10,369	-	10,369	-	-	-	10,369	-	10,369
1771	Veterans Affairs - Administration	1,082,055	1,082,055	-	-	-	-	1,082,055	1,082,055	-
1772	State Veterans Home Program	-	-	-	-	-	-	-	-	-
1781	Domestic Violence Program	5,091,486	-	5,091,486	-	-	-	5,091,486	-	5,091,486
1782	Domestic Violence Center	3,913,212	3,913,212	-	-	-	-	3,913,212	3,913,212	-
1810	State Ethics Commission	1,273,553	58,170	1,215,383	20,000	-	20,000	1,293,553	58,170	1,235,383
1851	Pension - Surviving Spouse	12,000	-	12,000	-	-	-	12,000	-	12,000
1861	Commission on Indian Affairs	332,336	-	332,336	-	-	-	332,336	-	332,336
1900	Reserves and Transfers	126,134	126,134	-	-	-	-	126,134	126,134	-
Undesignated Items										
N/A	Position Changes	-	-	-	329,741	263,070	66,671	329,741	263,070	66,671
N/A	Compensation Increase Reserve	-	-	-	562,441	-	562,441	562,441	-	562,441
N/A	State Retirement Contribution	-	-	-	79,693	-	79,693	79,693	-	79,693
N/A	State Health Plan Reserve	-	-	-	81,083	-	81,083	81,083	-	81,083
Total		**$73,622,445**	**$11,636,042**	**$61,986,403**	**$542,114**	**$263,070**	**$279,044**	**$74,164,559**	**$11,899,112**	**$62,265,447**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Administration Budget Code 14100		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Office of the Secretary	1,825,465	176,355	1,649,110	-	-	-	1,825,465	176,355	1,649,110
1121	Fiscal Management	1,956,622	710,331	1,246,291	-	-	-	1,956,622	710,331	1,246,291
1122	Personnel	837,632	189,952	647,680	-	-	-	837,632	189,952	647,680
1123	Ofc. for Historically Underutilized Businesses	620,484	129,382	491,102	-	-	-	620,484	129,382	491,102
1124	Justice for Sterilization Victims	-	-	-	-	-	-	-	-	-
1230	Non-Public Education	449,770	-	449,770	-	-	-	449,770	-	449,770
1241	Management Information Systems	869,354	34,330	835,024	-	-	-	869,354	34,330	835,024
1311	Office of State Human Resources	8,349,341	115,619	8,233,722	-	-	-	8,349,341	115,619	8,233,722
1411	State Construction Office	6,291,050	693,708	5,597,342	-	-	-	6,291,050	693,708	5,597,342
1412	State Property Office	1,688,254	738,107	950,147	-	-	-	1,688,254	738,107	950,147
1421	Facilities Management Division	31,271,709	3,668,687	27,603,022	-	-	-	31,271,709	3,668,687	27,603,022
1511	Purchase and Contract	3,052,158	-	3,052,158	-	-	-	3,052,158	-	3,052,158
1731	Council for Women and Domestic Violence	1,069,679	-	1,069,679	-	-	-	1,069,679	-	1,069,679
1732	Displaced Homemakers	-	-	-	-	-	-	-	-	-
1734	Sexual Assault Program	2,895,560	-	2,895,560	-	-	-	2,895,560	-	2,895,560
1741	Human Relations Commission	580,844	-	580,844	(580,844)	-	(580,844)	-	-	-
1742	Martin Luther King Commission	23,378	-	23,378	-	-	-	23,378	-	23,378
1761	Youth Advocacy and Involvement Office	10,369	-	10,369	-	-	-	10,369	-	10,369
1771	Veterans Affairs - Administration	1,082,055	1,082,055	-	-	-	-	1,082,055	1,082,055	-
1772	State Veterans Home Program	-	-	-	-	-	-	-	-	-
1781	Domestic Violence Program	5,091,486	-	5,091,486	-	-	-	5,091,486	-	5,091,486
1782	Domestic Violence Center	3,913,212	3,913,212	-	-	-	-	3,913,212	3,913,212	-
1810	State Ethics Commission	1,273,553	58,170	1,215,383	20,000	-	20,000	1,293,553	58,170	1,235,383
1851	Pension - Surviving Spouse	12,000	-	12,000	-	-	-	12,000	-	12,000
1861	Commission on Indian Affairs	332,336	-	332,336	-	-	-	332,336	-	332,336
1900	Reserves and Transfers	126,134	126,134	-	-	-	-	126,134	126,134	-
Undesignated Items										
N/A	Position Changes	-	-	-	329,741	263,070	66,671	329,741	263,070	66,671
N/A	Compensation Increase Reserve	-	-	-	562,441	-	562,441	562,441	-	562,441
N/A	State Retirement Contribution	-	-	-	369,688	-	369,688	369,688	-	369,688
N/A	State Health Plan Reserve	-	-	-	171,819	-	171,819	171,819	-	171,819
Total		**$73,622,445**	**$11,636,042**	**$61,986,403**	**$872,845**	**$263,070**	**$609,775**	**$74,495,290**	**$11,899,112**	**$62,596,178**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Administration					
Budget Code 14100		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Office of the Secretary	13.00	-	-	13.00
1121	Fiscal Management	25.52	-	-	25.52
1122	Personnel	11.00	-	-	11.00
1123	Ofc. for Historically Underutilized Businesses	8.00	-	-	8.00
1124	Justice for Sterilization Victims	-	-	-	-
1230	Non-Public Education	5.75	-	-	5.75
1241	Management Information Systems	-	-	-	-
1311	Office of State Human Resources	64.75	-	-	64.75
1411	State Construction Office	61.00	-	-	61.00
1412	State Property Office	19.00	-	-	19.00
1421	Facilities Management Division	149.00	-	-	149.00
1511	Purchase and Contract	32.10	-	-	32.10
1731	Council for Women and Domestic Violence	11.00	-	-	11.00
1732	Displaced Homemakers	-	-	-	-
1734	Sexual Assault Program	0.36	-	-	0.36
1741	Human Relations Commission	7.29	(7.29)	-	-
1742	Martin Luther King Commission	-	-	-	-
1761	Youth Advocacy and Involvement Office	-	-	-	-
1771	Veterans Affairs - Administration	-	-	-	-
1772	State Veterans Home Program	-	-	-	-
1781	Domestic Violence Program	4.64	-	-	4.64
1782	Domestic Violence Center	-	-	-	-
1810	State Ethics Commission	13.00	-	-	13.00
1851	Pension - Surviving Spouse	-	-	-	-
1861	Commission on Indian Affairs	3.84	-	-	3.84
1900	Reserves and Transfers	-	-	-	-
N/A	Position Changes	-	(1.06)	-	(1.06)
Total FTE		**429.25**	**(8.35)**	**-**	**420.90**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Administration					
Budget Code 14100		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Office of the Secretary	13.00	-	-	13.00
1121	Fiscal Management	25.52	-	-	25.52
1122	Personnel	11.00	-	-	11.00
1123	Ofc. for Historically Underutilized Businesses	8.00	-	-	8.00
1124	Justice for Sterilization Victims	-	-	-	-
1230	Non-Public Education	5.75	-	-	5.75
1241	Management Information Systems	-	-	-	-
1311	Office of State Human Resources	64.75	-	-	64.75
1411	State Construction Office	61.00	-	-	61.00
1412	State Property Office	19.00	-	-	19.00
1421	Facilities Management Division	149.00	-	-	149.00
1511	Purchase and Contract	32.10	-	-	32.10
1731	Council for Women and Domestic Violence	11.00	-	-	11.00
1732	Displaced Homemakers	-	-	-	-
1734	Sexual Assault Program	0.36	-	-	0.36
1741	Human Relations Commission	7.29	(7.29)	-	-
1742	Martin Luther King Commission	-	-	-	-
1761	Youth Advocacy and Involvement Office	-	-	-	-
1771	Veterans Affairs - Administration	-	-	-	-
1772	State Veterans Home Program	-	-	-	-
1781	Domestic Violence Program	4.64	-	-	4.64
1782	Domestic Violence Center	-	-	-	-
1810	State Ethics Commission	13.00	-	-	13.00
1851	Pension - Surviving Spouse	-	-	-	-
1861	Commission on Indian Affairs	3.84	-	-	3.84
1900	Reserves and Transfers	-	-	-	-
N/A	Position Changes	-	(1.06)	-	(1.06)
Total FTE		**429.25**	**(8.35)**	**-**	**420.90**

(14.0) Administration

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$61,986,403**		**$61,986,403**	
Legislative Changes				
Reserve for Salaries and Benefits				
60 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$562,441	R	$562,441	R
61 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$79,693	R	$369,688	R
62 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$81,083	R	$171,819	R

	FY 17-18		FY 18-19	
Advocacy Programs				
63 Human Relations Commission Director Position Elimination **Fund Code:** 1741 Eliminates the Human Relations Commission Director position (60014486), including salary and benefits. The Human Relations Commission will be transferred to the Office of Administrative Hearings, where the Director of the Civil Rights Division will oversee operations. The revised net appropriation for the Human Relations Commission from all actions in this report within the Department of Administration is $0 in each year of the biennium.	($111,042) -1.00	R	($111,042) -1.00	R
64 Human Relations Commission Transfer **Fund Code:** 1741 Transfers all funding and positions for the Human Relations Commission to the Civil Rights Division within the Office of Administrative Hearings as a Type I transfer. The revised net appropriation for the Human Relations Commission from all actions in this report within the Department of Administration is $0 in each year of the biennium.	($418,135) -5.29	R	($418,135) -5.29	R
Department Wide				
65 Position Funding Realignment **Fund Code:** N/A Provides funding to move the following positions from partial receipt support to 100% General Fund appropriations. 60013848 Deputy Secretary - 0.31 FTE 60013849 Deputy Secretary - 0.13 FTE 60089847 Administrative Assistant - 0.80 FTE 60008588 Accountant - 0.60 FTE 60014112 Accountant - 0.35 FTE 60014099 Departmental Purchasing Agent II - 0.75 FTE The revised net appropriation for the Department of Administration is $62.3 million in FY 2017-18 and $62.6 million in FY 2018-19.	$263,070 2.94	R	$263,070 2.94	R

	FY 17-18		FY 18-19	
Department Wide				
66 Vacant Position Eliminations **Fund Code:** N/A	($248,066) -5.00	R	($248,066) -5.00	R
Eliminates the following vacant positions, including salaries and benefits, which have been vacant over 6 months: 60013858 Office Assistant IV 60013857 Engineer 65024966 Administrative Assistant I 60014669 HVAC Technician 60014835 Grounds Worker The revised net appropriation for the Department of Administration is $62.3 million in FY 2017-18 and $62.6 million in FY 2018-19.				
Office of the Secretary				
67 Measurability Assessment and Efficiency Study **Fund Code:** 1111	$50,000	NR		
Provides funding for the Department of Administration to contract with the Program Evaluation Division for a measurability assessment and efficiency study of the agency. The revised net appropriation for the Office of the Secretary is $1.7 million in FY 2017-18.				
State Ethics Commission				
68 Electronic System Maintenance **Fund Code:** 1810	$20,000	R	$20,000	R
Provides an additional $20,000 for annual maintenance for the new electronic Statement of Economic Interest (SEI) and ethics education system. The revised net appropriation for the Ethics Commission is $1.3 million in each year of the biennium.				
Total Legislative Changes	**$229,044** **$50,000**	R NR	**$609,775**	R
Total Position Changes	-8.35		-8.35	
Revised Budget	**$62,265,447**		**$62,596,178**	

Housing Finance Agency
Budget Code 13010

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$10,660,000	$10,660,000
Receipts	$0	$0
Net Appropriation	$10,660,000	$10,660,000
Legislative Changes		
Requirements	$16,050,841	$0
Receipts	$16,050,841	$0
Net Appropriation	$0	$0
Revised Budget		
Requirements	$26,710,841	$10,660,000
Receipts	$16,050,841	$0
Net Appropriation	$10,660,000	$10,660,000

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Housing Finance Agency Budget Code 13010		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Housing Finance Agency - Appropriations	10,660,000	-	10,660,000	16,050,841	16,050,841	-	26,710,841	16,050,841	10,660,000
Undesignated Items										
Total		$10,660,000	$0	$10,660,000	$16,050,841	$16,050,841	$0	$26,710,841	$16,050,841	$10,660,000

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Housing Finance Agency Budget Code 13010		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Housing Finance Agency - Appropriations	10,660,000	-	10,660,000	-	-	-	10,660,000	-	10,660,000
Undesignated Items										
Total		$10,660,000	$0	$10,660,000	$0	$0	$0	$10,660,000	$0	$10,660,000

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Housing Finance Agency					
Budget Code 13010		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Housing Finance Agency - Appropriations	-	-	-	-
Total FTE		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Housing Finance Agency					
Budget Code 13010		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Housing Finance Agency - Appropriations	-	-	-	-
Total FTE		-	-	-	-

(15.0) Housing Finance Agency

	GENERAL FUND	
	FY 17-18	FY 18-19
Recommended Base Budget	**$10,660,000**	**$10,660,000**
Legislative Changes		
69 Workforce Housing Loan Program **Fund Code:** 1100 Provides $16,050,841 in funds received by the State from the Settlement Agreement dated January 13, 2017, and entered into with Moody's Corporation, Moody's Investors Service, Inc., and Moody's Analytics, Inc., to the Workforce Housing Loan Program (WHLP) to assist with the development of low-income housing units across the State. The revised total requirements for the WHLP are $16.1 million in FY 2017-18 only and the revised net appropriation is $0, as the funding is receipt supported from the settlement.		
Total Legislative Changes		
Total Position Changes		
Revised Budget	**$10,660,000**	**$10,660,000**

NC Housing Finance Authority – Partnership

Budget Code: 63011

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$103,811,465**	**$102,973,465**
Recommended Budget		
Requirements	**$11,498,000**	**$11,498,000**
Receipts	**$10,660,000**	**$10,660,000**
Positions	**0.00**	**0.00**

Legislative Changes

Requirements:

Community Living Housing Fund Provides funds to the Community Living Housing Fund (CLHF) to increase access to permanent, community-based integrated housing for individuals with disabilities in support of the Olmstead Settlement. The revised appropriation for the CLHF is $4.2 million in FY 2017-18 only.	$0	R	$0	R
	$4,221,055	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$4,221,055	NR	**$0**	NR
	0.00		0.00	

Receipts:

Community Living Housing Fund Adjusts the fund to reflect receipts transferred from the Department of Health and Human Services.	$0	R	$0	R
	$4,221,055	NR	$0	NR
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$4,221,055	NR	**$0**	NR

	FY 2017-18	FY 2018-19
Revised Total Requirements	$15,719,055	$11,498,000
Revised Total Receipts	$14,881,055	$10,660,000
Change in Fund Balance	($838,000)	($838,000)
Total Positions	0.00	0.00
Unappropriated Balance Remaining	$102,973,465	$102,135,465

Lieutenant Governor
Budget Code 13100

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$703,302	$703,302
Receipts	$0	$0
Net Appropriation	$703,302	$703,302
Legislative Changes		
Requirements	$90,175	$67,964
Receipts	$0	$0
Net Appropriation	$90,175	$67,964
Revised Budget		
Requirements	$793,477	$771,266
Receipts	$0	$0
Net Appropriation	$793,477	$771,266

General Fund FTE		
Base Budget	6.00	6.00
Legislative Changes	1.00	1.00
Revised Budget	7.00	7.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Lieutenant Governor Budget Code 13100		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	703,302	-	703,302	77,812	-	77,812	781,114	-	781,114
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	9,350	-	9,350	**9,350**	-	**9,350**
N/A	State Retirement Contribution	-	-	-	1,753	-	1,753	**1,753**	-	**1,753**
N/A	State Health Plan Reserve	-	-	-	1,260	-	1,260	1,260	-	1,260
Total		**$703,302**	**$0**	**$703,302**	**$90,175**	**$0**	**$90,175**	**$793,477**	**$0**	**$793,477**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Lieutenant Governor Budget Code 13100		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	703,302	-	703,302	47,812	-	47,812	751,114	-	751,114
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	9,350	-	9,350	**9,350**	-	**9,350**
N/A	State Retirement Contribution	-	-	-	8,132	-	8,132	**8,132**	-	**8,132**
N/A	State Health Plan Reserve	-	-	-	2,670	-	2,670	2,670	-	2,670
Total		**$703,302**	**$0**	**$703,302**	**$67,964**	**$0**	**$67,964**	**$771,266**	**$0**	**$771,266**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Lieutenant Governor					
Budget Code 13100		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	6.00	1.00	-	7.00
Total FTE		**6.00**	**1.00**	**-**	**7.00**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Lieutenant Governor					
Budget Code 13100		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	6.00	1.00	-	7.00
Total FTE		**6.00**	**1.00**	**-**	**7.00**

(16.0) Lieutenant Governor

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$703,302**		**$703,302**	
Legislative Changes				
Reserve for Salaries and Benefits				
70 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$9,350	R	$9,350	R
71 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$1,753	R	$8,132	R
72 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$1,260	R	$2,670	R
Administration				
73 Supplies and Equipment **Fund Code:** 1110 Provides an additional $30,000 for the purchase or upgrade of technology and communications equipment and supplies. The revised net appropriation for the Office of the Lieutenant Governor from all items in this report is $793,477 in FY 2017-18 and $771,266 in FY 2018-19.	$30,000	NR		

	FY 17-18		FY 18-19	
Administration				
74 Administrative Assistant Position **Fund Code:** 1110 Creates a new Administrative Assistant I position. The total cost of the position, including salaries and benefits, is $47,812. The revised net appropriation for the Office of the Lieutenant Governor from all items in this report is $793,477 in FY 2017-18 and $771,266 in FY 2018-19.	$47,812 1.00	R	$47,812 1.00	R
Total Legislative Changes	**$60,175** **$30,000**	R NR	**$67,964**	R
Total Position Changes	1.00		1.00	
Revised Budget	**$793,477**		**$771,266**	

Secretary of State
Budget Code 13200

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$12,923,217	$12,983,865
Receipts	$171,794	$171,794
Net Appropriation	$12,751,423	$12,812,071
Legislative Changes		
Requirements	$319,562	$469,546
Receipts	$0	$0
Net Appropriation	$319,562	$469,546
Revised Budget		
Requirements	$13,242,779	$13,453,411
Receipts	$171,794	$171,794
Net Appropriation	$13,070,985	$13,281,617

General Fund FTE		
Base Budget	175.88	175.88
Legislative Changes	(1.00)	(1.00)
Revised Budget	174.88	174.88

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Secretary of State Budget Code 13200		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	3,390,384	-	3,390,384	-	-	-	3,390,384	-	3,390,384
1120	Publications Division	203,879	553	203,326	-	-	-	203,879	553	203,326
1150	Lobbyist Registration	329,367	-	329,367	-	-	-	329,367	-	329,367
1200	Trademark Offender	134,316	134,316	-	-	-	-	134,316	134,316	-
1210	Corporations Division	3,262,709	2,100	3,260,609	58,024	-	58,024	3,320,733	2,100	3,318,633
1220	Certification and Filing Division	2,460,857	34,825	2,426,032	-	-	-	2,460,857	34,825	2,426,032
1230	Securities Division	2,412,212	-	2,412,212	-	-	-	2,412,212	-	2,412,212
1600	Charitable Solicitation Licensing	729,493	-	729,493	-	-	-	729,493	-	729,493
				-						
Undesignated Items				-						
N/A	Compensation Increase Reserve	-	-	-	194,890	-	194,890	194,890	-	194,890
N/A	State Retirement Contribution	-	-	-	29,923	-	29,923	29,923	-	29,923
N/A	State Health Plan Reserve	-	-	-	36,725	-	36,725	36,725	-	36,725
Total		**12,923,217**	**$171,794**	**12,751,423**	**$319,562**	**$0**	**$319,562**	**$13,242,779**	**$171,794**	**$13,070,985**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Secretary of State Budget Code 13200		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	3,390,384	-	3,390,384	-	-	-	3,390,384	-	3,390,384
1120	Publications Division	203,879	553	203,326	-	-	-	203,879	553	203,326
1150	Lobbyist Registration	329,367	-	329,367	-	-	-	329,367	-	329,367
1200	Trademark Offender	134,316	134,316	-	-	-	-	134,316	134,316	-
1210	Corporations Division	3,262,709	2,100	3,260,609	58,024	-	58,024	3,320,733	2,100	3,318,633
1220	Certification and Filing Division	2,506,343	34,825	2,471,518	-	-	-	2,506,343	34,825	2,471,518
1230	Securities Division	2,427,374	-	2,427,374	-	-	-	2,427,374	-	2,427,374
1600	Charitable Solicitation Licensing	729,493	-	729,493	-	-	-	729,493	-	729,493
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	194,890	-	194,890	194,890	-	194,890
N/A	State Retirement Contribution	-	-	-	138,810	-	138,810	138,810	-	138,810
N/A	State Health Plan Reserve	-	-	-	77,822	-	77,822	77,822	-	77,822
Total		12,983,865	$171,794	12,812,071	$469,546	$0	$469,546	$13,453,411	$171,794	$13,281,617

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Secretary of State					
Budget Code 13200		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	34.10		-	34.10
1120	Publications Division	2.73	-	-	2.73
1150	Lobbyist Registration	5.00	-	-	5.00
1200	Trademark Offender	1.00	-	-	1.00
1210	Corporations Division	57.87	(1.00)	-	56.87
1220	Certification and Filing Division	39.00	-	-	39.00
1230	Securities Division	26.75	-	-	26.75
1600	Charitable Solicitation Licensing	9.43	-	-	9.43
Total FTE		**175.88**	**-1.00**	**0.00**	**174.88**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Secretary of State					
Budget Code 13200		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	34.10	-	-	34.10
1120	Publications Division	2.73	-	-	2.73
1150	Lobbyist Registration	5.00	-	-	5.00
1200	Trademark Offender	1.00	-	-	1.00
1210	Corporations Division	57.87	(1.00)	-	56.87
1220	Certification and Filing Division	39.00	-	-	39.00
1230	Securities Division	26.75	-	-	26.75
1600	Charitable Solicitation Licensing	9.43	-	-	9.43
Total FTE		**175.88**	**(1.00)**	-	**174.88**

(17.0) Secretary of State

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$12,751,423**		**$12,812,071**	
Legislative Changes				
Reserve for Salaries and Benefits				
75 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$194,890	R	$194,890	R
76 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$29,923	R	$138,810	R
77 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$36,725	R	$77,822	R

	FY 17-18		FY 18-19	
Corporations Division				
78 Vacant Position Elimination **Fund Code:** 1210 Eliminates 1 position, including the related salary and benefits, that has been vacant longer than 6 months. 6008673 Processing Assistant V The revised net appropriation from all items in this report for the Corporations Division is $3.3 million in each year of the biennium.	($41,976) -1.00	R	($41,976) -1.00	R
79 Call Center Temporary Positions **Fund Code:** 1210 Provides $100,000 to the Corporations Division for the use of temporary employees in the call center. The revised net appropriation from all items in this report for the Corporations Division is $3.3 million in each year of the biennium.	$100,000	R	$100,000	R
Total Legislative Changes	**$319,562**	R	**$469,546**	R
Total Position Changes	-1.00		-1.00	
Revised Budget	**$13,070,985**		**$13,281,617**	

Office of State Auditor
Budget Code 13300

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$19,327,612	$19,327,612
Receipts	$5,947,874	$5,947,874
Net Appropriation	$13,379,738	$13,379,738
Legislative Changes		
Requirements	$205,384	$357,707
Receipts	$0	$0
Net Appropriation	$205,384	$357,707
Revised Budget		
Requirements	$19,532,996	$19,685,319
Receipts	$5,947,874	$5,947,874
Net Appropriation	$13,585,122	$13,737,445

General Fund FTE		
Base Budget	166.00	166.00
Legislative Changes	(3.00)	(3.00)
Revised Budget	163.00	163.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Office of State Auditor Budget Code 13300		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	2,719,135	-	2,719,135	-	-	-	2,719,135	-	2,719,135
1210	Field Audit Division	16,608,477	5,947,874	10,660,603	(36,715)	-	(36,715)	16,571,762	5,947,874	10,623,888
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	182,934	-	182,934	182,934	-	182,934
N/A	State Retirement Contribution	-	-	-	34,175	-	34,175	34,175	-	34,175
N/A	State Health Plan Reserve	-	-	-	24,990	-	24,990	24,990	-	24,990
Total		**$19,327,612**	**$5,947,874**	**$13,379,738**	**$205,384**	**$0**	**$205,384**	**$19,532,996**	**$5,947,874**	**$13,585,122**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Office of State Auditor Budget Code 13300		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	2,719,135	-	2,719,135	-	-	-	2,719,135	-	2,719,135
1210	Field Audit Division	16,608,477	5,947,874	10,660,603	(36,715)	-	(36,715)	16,571,762	5,947,874	10,623,888
Undesignated Items										
N/A	Compensation Increase Reserve	-	-	-	182,934	-	182,934	182,934	-	182,934
N/A	State Retirement Contribution	-	-	-	158,533	-	158,533	158,533	-	158,533
N/A	State Health Plan Reserve	-	-	-	52,955	-	52,955	52,955	-	52,955
Total		**$19,327,612**	**$5,947,874**	**$13,379,738**	**$357,707**	**$0**	**$357,707**	**$19,685,319**	**$5,947,874**	**$13,737,445**

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Office of State Auditor					
Budget Code 13300		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	23.00	-	-	23.00
1210	Field Audit Division	143.00	(3.00)	-	140.00
Total FTE		**166.00**	**(3.00)**	**-**	**163.00**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Office of State Auditor					
Budget Code 13300		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	23.00	-	-	23.00
1210	Field Audit Division	143.00	(3.00)	-	140.00
Total FTE		**166.00**	**(3.00)**	**-**	**163.00**

(18.0) Auditor

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$13,379,738**		**$13,379,738**	
Legislative Changes				
Reserve for Salaries and Benefits				
80 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$182,934	R	$182,934	R
81 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$34,175	R	$158,533	R
82 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$24,990	R	$52,955	R
Field Audit Division				
83 Subject Matter Experts **Fund Code:** 1210 Provides an additional $250,000 for the use of subject matter experts during auditing work. The revised net appropriation for Financial/Audit Services is $1.0 million in each year of the biennium.	$250,000	R	$250,000	R

	FY 17-18		FY 18-19	
Field Audit Division				
84 Vacant Position Eliminations **Fund Code:** 1210	($286,715)	R	($286,715)	R
Eliminates 3 positions, including the related salaries and benefits, that have been vacant longer than 6 months. 6008980 Assistant State Auditor 6008864 Assistant State Auditor 6008862 Assistant State Auditor The revised net appropriation for the Office of the State Auditor is $13.6 million in FY 2017-18 and $13.7 million FY 2018-19.	-3.00		-3.00	
Total Legislative Changes	**$205,384**	R	**$357,707**	R
Total Position Changes	-3.00		-3.00	
Revised Budget	**$13,585,122**		**$13,737,445**	

Transportation
Section K

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Department of Transportation
Budget Code 84210

Highway Fund Budget [1]		FY 2017-18		FY 2018-19
Base Budget				
Requirements	$	7,245,197,068	$	7,237,942,131
Receipts	$	5,236,376,809	$	5,229,096,914
Net Appropriation	$	2,008,820,259	$	2,008,845,217
Legislative Changes				
Requirements	$	197,176,182	$	258,048,314
Receipts	$	14,750,000	$	14,830,500
Net Appropriation	$	182,426,182	$	243,217,814
Revised Budget				
Requirements	$	7,442,373,250	$	7,495,990,445
Receipts	$	5,251,126,809	$	5,243,927,414
Net Appropriation	$	2,191,246,441	$	2,252,063,031

Highway Fund FTE		
Base Budget	12,316.00	12,316.00
Legislative Changes	(387.00)	(386.00)
Revised Budget	11,929.00	11,930.00

1 The Base Budget and Revised Budget amounts include duplicate receipt-supported fund codes for field operations, grant programs, and equipment established pursuant to S.L. 2011-145, Section 28.2. The revised FY 2017-18 budget without the inclusion of these duplicate fund codes is $3,363,859,248 in requirements, $1,172,612,807 in receipts, and $2,191,246,441 in net appropriation. The revised FY 2018-19 budget net of duplicate receipts is $3,417,476,443 in requirements, $1,165,413,412 in receipts, and $2,252,063,031 in net appropriation.

Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
0001	Board of Transportation	79,834	-	79,834	-	-	-	79,834	-	79,834
0002	Communications	1,792,975	-	1,792,975	-	-	-	1,792,975	-	1,792,975
0006	Legal - Attorney General Staff	1,425,655	-	1,425,655	-	-	-	1,425,655	-	1,425,655
0007	Administration - Secretary	3,081,458	139,700	2,941,758	-	-	-	3,081,458	139,700	2,941,758
0177	Computer Systems	386,728	386,728	-	-	-	-	386,728	386,728	-
1096	Strategic Prioritization - Office of Transportation - Administration	179,446	-	179,446	-	-	-	179,446	-	179,446
1104	Governance Office - Admin	645,574	-	645,574	-	-	-	645,574	-	645,574
7011	Inspector General	2,539,045	697,922	1,841,123	-	-	-	2,539,045	697,922	1,841,123
7015	Human Resources	4,527,752	-	4,527,752	-	-	-	4,527,752	-	4,527,752
7020	Financial	9,794,920	4,226,752	5,568,168	3,800,000	-	3,800,000	13,594,920	4,226,752	9,368,168
7025	Information Technology	58,389,153	6,569,209	51,819,944	2,070,914	-	2,070,914	60,460,067	6,569,209	53,890,858
7030	Administrative Support Services	12,718,196	-	12,718,196	-	-	-	12,718,196	-	12,718,196
7031	Facilities Management	8,328,625	1,323,598	7,005,027	-	-	-	8,328,625	1,323,598	7,005,027
	ADMINISTRATION- DOT	**103,889,361**	**13,343,909**	**90,545,452**	**5,870,914**	**-**	**5,870,914**	**109,760,275**	**13,343,909**	**96,416,366**
0055	Chief Engineer	823,334	-	823,334	-	-	-	823,334	-	823,334
0056	Deputy Chief Engineer of Operations	847,085	-	847,085	-	-	-	847,085	-	847,085
0064	Director of Preconstruction	-	-	-	-	-	-	-	-	-
0149	Transportation Mobility and Safety	5,476,639	5,476,639	-	-	-	-	5,476,639	5,476,639	-
0178	Project Development and Environmental Analysis	901,876	901,876	-	-	-	-	901,876	901,876	-
0179	PDE Engineer Trainee Program	-	-	-	-	-	-	-	-	-
1018	Chief Engineer DOH Special Projects	364,066	364,066	-	-	-	-	364,066	364,066	-
1065	Utilities Unit - Administration	307,055	307,055	-	-	-	-	307,055	307,055	-
1067	Materials and Tests Unit	1,074,979	1,074,979	-	-	-	-	1,074,979	1,074,979	-
1069	Roadside Environmental Unit	2,452,868	-	2,452,868	-	-	-	2,452,868	-	2,452,868
1070	Construction Unit	634,892	634,892	-	-	-	-	634,892	634,892	-
1078	Office of Civil Rights Admin	334,373	334,373	-	-	-	-	334,373	334,373	-
1129	Office of Civil Rights	378,698	378,698	-	-	-	-	378,698	378,698	-
1130	Office of Civil Rights	787,724	-	787,724	-	-	-	787,724	-	787,724
1186	Structure Management	335,069	335,069	-	-	-	-	335,069	335,069	-
1201	Division 1 - Right of Way Administration	49,286	49,286	-	-	-	-	49,286	49,286	-
1202	Division 2 - Right of Way Administration	50,137	50,137	-	-	-	-	50,137	50,137	-
1203	Division 3 - Right of Way Administration	60,685	60,685	-	-	-	-	60,685	60,685	-
1204	Division 4 - Right of Way Administration	51,774	51,774	-	-	-	-	51,774	51,774	-
1205	Division 5 - Right of Way Administration	62,781	62,781	-	-	-	-	62,781	62,781	-
1206	Division 6 - Right of Way Administration	52,884	52,884	-	-	-	-	52,884	52,884	-
1207	Division 7 - Right of Way Administration	-	-	-	-	-	-	-	-	-
1208	Division 8 - Right of Way Administration	47,596	47,596	-	-	-	-	47,596	47,596	-
1209	Division 9 - Right of Way Administration	109,227	109,227	-	-	-	-	109,227	109,227	-
1210	Division 10 - Right of Way Administration	46,765	46,765	-	-	-	-	46,765	46,765	-
1211	Division 11 - Right of Way Administration	52,593	52,593	-	-	-	-	52,593	52,593	-
1212	Division 12 - Right of Way Administration	41,667	41,667	-	-	-	-	41,667	41,667	-
1213	Division 13 - Right of Way Administration	45,491	45,491	-	-	-	-	45,491	45,491	-
1214	Division 14 - Right of Way Administration	52,133	52,133	-	-	-	-	52,133	52,133	-
1256	Program Development - Administration	1,561,390	1,561,390	-	-	-	-	1,561,390	1,561,390	-
1272	Program Development - HF Admin	69,715	-	69,715	-	-	-	69,715	-	69,715
7070	Transportation Planning Program	168,244	168,244	-	750,000	-	750,000	918,244	168,244	750,000

Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7080	Division 1	1,567,705	-	1,567,705	-	-	-	1,567,705	-	1,567,705
7085	Division 2	1,709,170	-	1,709,170	-	-	-	1,709,170	-	1,709,170
7090	Division 3	1,738,523	-	1,738,523	-	-	-	1,738,523	-	1,738,523
7095	Division 4	1,643,843	-	1,643,843	-	-	-	1,643,843	-	1,643,843
7100	Division 5	1,835,321	-	1,835,321	-	-	-	1,835,321	-	1,835,321
7105	Division 6	1,720,353	-	1,720,353	-	-	-	1,720,353	-	1,720,353
7110	Division 7	1,818,700	-	1,818,700	-	-	-	1,818,700	-	1,818,700
7115	Division 8	1,533,563	-	1,533,563	-	-	-	1,533,563	-	1,533,563
7120	Division 9	1,599,278	-	1,599,278	-	-	-	1,599,278	-	1,599,278
7125	Division 10	2,130,501	-	2,130,501	-	-	-	2,130,501	-	2,130,501
7130	Division 11	1,451,895	-	1,451,895	-	-	-	1,451,895	-	1,451,895
7135	Division 12	1,450,420	-	1,450,420	-	-	-	1,450,420	-	1,450,420
7140	Division 13	1,396,517	-	1,396,517	-	-	-	1,396,517	-	1,396,517
7145	Division 14	1,753,918	-	1,753,918	-	-	-	1,753,918	-	1,753,918
7150	Preconstruction Design Administration	1,560,490	1,560,490	-	-	-	-	1,560,490	1,560,490	-
7152	OCR - On-the-Job Training Grant	-	-	-	-	-	-	-	-	-
7153	Technical Services - Administration	5,227,881	4,830,782	397,099	-	-	-	5,227,881	4,830,782	397,099
7175	Field Operations Support	1,059,855	-	1,059,855	-	-	-	1,059,855	-	1,059,855
7176	State Asset Management	1,591,588	40,000	1,551,588	-	-	-	1,591,588	40,000	1,551,588
7185	Safety	3,274,193	580,944	2,693,249	-	-	-	3,274,193	580,944	2,693,249
7190	Right of Way - Administration	2,619,608	2,619,608	-	-	-	-	2,619,608	2,619,608	-
	ADMINISTRATION- DOH	**55,924,348**	**21,892,124**	**34,032,224**	**750,000**	**-**	**750,000**	**56,674,348**	**21,892,124**	**34,782,224**
7812	Construction - Secondary	12,000,000	-	12,000,000	-	-	-	12,000,000	-	12,000,000
7814	Construction - Public Service Roads	1,723,707	-	1,723,707	(1,723,707)	-	(1,723,707)	-	-	-
7817	Spot Safety	12,100,000	-	12,100,000	-	-	-	12,100,000	-	12,100,000
7818	Construction - Contingency	12,000,000	-	12,000,000	-	-	-	12,000,000	-	12,000,000
7837	Division of Small Urban Construction	2,500,000	-	2,500,000	(2,500,000)	-	(2,500,000)	-	-	-
7838	Economic Development	4,036,171	-	4,036,171	(4,036,171)	-	(4,036,171)	-	-	-
	Mobility/Modernization Program	-	-	-	40,000,000	-	40,000,000	40,000,000	-	40,000,000
	CONSTRUCTION	**44,359,878**	**-**	**44,359,878**	**31,740,122**	**-**	**31,740,122**	**76,100,000**	**-**	**76,100,000**
0934	Reserve - General Maintenance	463,365,911	-	463,365,911	(142,636,175)	-	(142,636,175)	320,729,736	-	320,729,736
7821	Maintenance - Primary	-	-	-	-	-	-	-	-	-
7822	Maintenance - Secondary	-	-	-	-	-	-	-	-	-
7824	Contract Resurfacing	498,432,709	-	498,432,709	(10,000,000)	-	(10,000,000)	488,432,709	-	488,432,709
7839	Bridge Program	242,578,738	-	242,578,738	38,580,000	-	38,580,000	281,158,738	-	281,158,738
	Bridge Preservation	-	-	-	80,000,000	-	80,000,000	80,000,000	-	80,000,000
	Roadside Environmental	-	-	-	104,000,000	-	104,000,000	104,000,000	-	104,000,000
7841	Pavement Preservation	85,161,756	-	85,161,756	30,000,000	-	30,000,000	115,161,756	-	115,161,756
	MAINTENANCE	**1,289,539,114**	**-**	**1,289,539,114**	**99,943,825**	**-**	**99,943,825**	**1,389,482,939**	**-**	**1,389,482,939**
7827	FHWA Construction	886,489,400	886,489,400	-	-	-	-	886,489,400	886,489,400	-
	PLANNING & RESEARCH	**886,489,400**	**886,489,400**	**-**	**-**	**-**	**-**	**886,489,400**	**886,489,400**	**-**
7832	OSHA Program	358,030	-	358,030	-	-	-	358,030	-	358,030
	OSHA	**358,030**	**-**	**358,030**	**-**	**-**	**-**	**358,030**	**-**	**358,030**

Summary of Highway Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7836	State Aid - Highway Fund for WBS	147,500,000	-	147,500,000	-	-	-	147,500,000	-	147,500,000
	STATE AID TO MUNICIPALITIES	**147,500,000**	**-**	**147,500,000**	**-**	**-**	**-**	**147,500,000**	**-**	**147,500,000**
0035	Bicycle Program	724,032	-	724,032	-	-	-	724,032	-	724,032
0036	Public Transportation	434,523	-	434,523	-	-	-	434,523	-	434,523
7831	Public Transportation - Highway Fund	129,869,100	38,026,031	91,843,069	250,000	-	250,000	130,119,100	38,026,031	92,093,069
0037	Rail Division	621,357	-	621,357	-	-	-	621,357	-	621,357
7829	Railroad Program	41,045,621	4,247,816	36,797,805	1,597,200	-	1,597,200	42,642,821	4,247,816	38,395,005
	Rail Equipment Overhaul	-	-	-	4,643,000	-	4,643,000	4,643,000	-	4,643,000
0041	Aeronautics	2,299,073	203,717	2,095,356	-	-	-	2,299,073	203,717	2,095,356
7830	Airports Program	66,517,417	20,000,000	46,517,417	45,700,000	-	45,700,000	112,217,417	20,000,000	92,217,417
7040	Ferry Administration	1,302,269	-	1,302,269		-	-	1,302,269	-	1,302,269
7825	Ferry Operations	46,181,106	2,500,000	43,681,106	-	-	-	46,181,106	2,500,000	43,681,106
	MULTI-MODAL	**288,994,498**	**64,977,564**	**224,016,934**	**52,190,200**	**-**	**52,190,200**	**341,184,698**	**64,977,564**	**276,207,134**
0042	Governor's Highway Safety Program	510,734	255,367	255,367	-	-	-	510,734	255,367	255,367
7828	Governor's Highway Safety Program	13,500,000	13,500,000	-	-	-	-	13,500,000	13,500,000	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	**14,010,734**	**13,755,367**	**255,367**	**-**	**-**	**-**	**14,010,734**	**13,755,367**	**255,367**
0049	Driver Licensing	-	-	-	-	-	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	11,128,541	-	11,128,541	-	-	-	11,128,541	-	11,128,541
7050	DMV - Commissioner's Office	4,670,380	11,000	4,659,380	500,000	-	500,000	5,170,380	11,000	5,159,380
7055	DMV Field Services	97,575,917	18,216,647	79,359,270	4,210,000	-	4,210,000	101,785,917	18,216,647	83,569,270
7056	DMV Processing Services	18,028,848	8,187,019	9,841,829	2,430,377	-	2,430,377	20,459,225	8,187,019	12,272,206
7060	License and Theft Bureau	15,887,669	759,748	15,127,921	-	-	-	15,887,669	759,748	15,127,921
	DIVISION OF MOTOR VEHICLES	**147,291,355**	27,174,414	**120,116,941**	**7,140,377**	**-**	**7,140,377**	**154,431,732**	**27,174,414**	**127,257,318**
0852	Department of Revenue - International Registration Plan	232,060	-	232,060	-	-	-	232,060	-	232,060
0862	Department of Agriculture - Gasoline Inspection Fee	5,351,999	-	5,351,999	-	-	-	5,351,999	-	5,351,999
0864	Department of Revenue - Gasoline Tax Collections	5,056,503	-	5,056,503	-	-	-	5,056,503	-	5,056,503
0865	DHHS - Chemical Testing	569,753	-	569,753	-	-	-	569,753	-	569,753
0889	Office of State Budget and Management -Civil Penalty	59,025,029	59,025,029	-	-	-	-	59,025,029	59,025,029	-
0893	Office of State Controller - Best Shared Services	505,399	-	505,399	-	-	-	505,399	-	505,399
1260	State Ethics Commission	56,816	-	56,816	-	-	-	56,816	-	56,816
7834	Motor Carrier Safety	2,123,200	-	2,123,200	-	-	-	2,123,200	-	2,123,200
0878	Local Fire Protection Funds- DOT Facilities	-	-	-	158,000	-	158,000	158,000		158,000
	OTHER STATE AGENCIES	**72,920,759**	**59,025,029**	**13,895,730**	**158,000**	**-**	**158,000**	**73,078,759**	**59,025,029**	**14,053,730**
0868	General Fund - Sales Tax Exemption	-	-	-	-	-	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-	-	-	-	-	-
	TRANSFER TO GENERAL FUND	**-**	-	-	-	-	-	-	-	-
0869	Reserve - Global TransPark	750,000	-	750,000	400,000	-	400,000	1,150,000	-	1,150,000
1288	North Carolina State Ports Authority	35,000,000	-	35,000,000	(35,000,000)	-	(35,000,000)	-	-	-
	TRANSFER TO AUTHORITIES	**35,750,000**	**-**	**35,750,000**	**(34,600,000)**	**-**	**(34,600,000)**	**1,150,000**	**-**	**1,150,000**

Summary of Highway Fund Appropriations
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Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
0871	Employer's Contribution - Retirement	266,525	-	266,525	996,928	-	996,928	1,263,453	-	1,263,453
0873	Legislative Salary Increases	1,327,923	-	1,327,923	7,293,491	-	7,293,491	8,621,414	-	8,621,414
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-	-	-	-	-	-
0877	Stormwater Management	500,000	-	500,000	-	-	-	500,000	-	500,000
0878	State Fire Protection Grant Fund	-	-	-	-	-	-	-	-	-
0881	Consolidated Call Center	556,074	-	556,074	-	-	-	556,074	-	556,074
0882	Reserve - Visitor Center	400,000	400,000	-	-	-	-	400,000	400,000	-
0885	Reserve - State Employee Medical Plan	884,311	-	884,311	1,325,625	-	1,325,625	2,209,936	-	2,209,936
0933	Reserve - Minority Contractor Development	150,000	-	150,000	-	-	-	150,000	-	150,000
0937	Reserve - Administration Reduction	(2,064,244)	-	(2,064,244)	-	-	-	(2,064,244)	-	(2,064,244)
1289	Workers' Compensation Adjustment Reserve	6,830,000	-	6,830,000	-	-	-	6,830,000	-	6,830,000
	OTHER RESERVES	**8,850,589**	**400,000**	**8,450,589**	**9,616,044**	**-**	**9,616,044**	**18,466,633**	**400,000**	**18,066,633**
0892	GARVEE Bond Redemption	70,805,000	70,805,000	-	-	-	-	70,805,000	70,805,000	-
	DEBT SERVICE	**70,805,000**	**70,805,000**	**-**	**-**	**-**	**-**	**70,805,000**	**70,805,000**	**-**
7826	Capital Improvements	-	-	-	9,616,700	-	9,616,700	9,616,700	-	9,616,700
	CAPITAL IMPROVEMENTS	**-**	**-**	**-**	**9,616,700**	**-**	**9,616,700**	**9,616,700**	**-**	**9,616,700**
0704	Legal - Field	8,236,182	8,236,182	-	-	-	-	8,236,182	8,236,182	-
0714	Engineer Trainee Program	4,138,739	4,138,739	-	-	-	-	4,138,739	4,138,739	-
0720	Governor's Highway Safety Program	21,424,686	21,424,686	-	-	-	-	21,424,686	21,424,686	-
1017	Director of Preconstruction - Field	-	-	-	-	-	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	4,292,549	4,292,549	-	-	-	-	4,292,549	4,292,549	-
1066	Utilities Unit - Field	63,661,088	63,661,088	-	-	-	-	63,661,088	63,661,088	-
1068	Materials and Tests - Field	28,672,182	28,672,182	-	-	-	-	28,672,182	28,672,182	-
1071	Construction Unit - Field	3,840,643	3,840,643	-	-	-	-	3,840,643	3,840,643	-
1080	Roadside Environmental Unit - SW Field	7,257,152	7,257,152	-	-	-	-	7,257,152	7,257,152	-
1081	Office of Civil Rights - Field	3,029,089	3,029,089	-	-	-	-	3,029,089	3,029,089	-
1087	Safe Routes to School - Field	2,322,449	2,322,449	-	-	-	-	2,322,449	2,322,449	-
1088	Public Information - Field	745,717	745,717	-	-	-	-	745,717	745,717	-
1097	Strategic Prioritization - Office of Transportation - Field	1,661,922	1,661,922	-	-	-	-	1,661,922	1,661,922	-
1098	HR Talent Management - Field	357,756	357,756	-	-	-	-	357,756	357,756	-
1099	Governance Office - Field	672,680	672,680	-	-	-	-	672,680	672,680	-
1111	Inspector General - Field	-	-	-	-	-	-	-	-	-
1112	State Road Maintenance - Field	6,623,093	6,623,093	-	-	-	-	6,623,093	6,623,093	-
1136	State Road Maintenance - Field	1,847,198	1,847,198	-	-	-	-	1,847,198	1,847,198	-
1255	Performance Metrics Management	175,264	175,264	-	-	-	-	175,264	175,264	-
1258	Program Development - Field	9,050,749	9,050,749	-	-	-	-	9,050,749	9,050,749	-
7200	01 Field	62,729,829	62,729,829	-	-	-	-	62,729,829	62,729,829	-
7235	02 Field	66,745,541	66,745,541	-	-	-	-	66,745,541	66,745,541	-
7265	03 Field	106,820,091	106,820,091	-	-	-	-	106,820,091	106,820,091	-
7295	04 Field	67,274,000	67,274,000	-	-	-	-	67,274,000	67,274,000	-
7325	05 Field	93,102,008	93,102,008	-	-	-	-	93,102,008	93,102,008	-
7355	06 Field	74,468,457	74,468,457	-	-	-	-	74,468,457	74,468,457	-
7385	07 Field	95,941,616	95,941,616	-	-	-	-	95,941,616	95,941,616	-
7415	08 Field	73,995,420	73,995,420	-	-	-	-	73,995,420	73,995,420	-

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Department of Transportation Budget Code 84210		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7445	09 Field	128,469,813	128,469,813	-	-	-	-	128,469,813	128,469,813	-
7470	10 Field	124,994,869	124,994,869	-	-	-	-	124,994,869	124,994,869	-
7500	11 Field	103,246,606	103,246,606	-	-	-	-	103,246,606	103,246,606	-
7530	12 Field	79,712,234	79,712,234	-	-	-	-	79,712,234	79,712,234	-
7555	13 Field	72,147,258	72,147,258	-	-	-	-	72,147,258	72,147,258	-
7580	14 Field	75,729,519	75,729,519	-	-	-	-	75,729,519	75,729,519	-
7610	IT - Field	43,838,553	43,838,553	-	-	-	-	43,838,553	43,838,553	-
7615	Ferry	52,415,641	52,415,641	-	-	-	-	52,415,641	52,415,641	-
7620	Facilities Management and Operations Support	17,087,736	17,087,736	-	-	-	-	17,087,736	17,087,736	-
7625	Preconstruction Design - Field	55,894,338	55,894,338	-	-	-	-	55,894,338	55,894,338	-
7626	Technical Services - Field	98,542,690	98,542,690	-	-	-	-	98,542,690	98,542,690	-
7627	Structure Management - Field	41,420,694	41,420,694	-	-	-	-	41,420,694	41,420,694	-
7665	Construction Materials - Field	1,665,268	1,665,268	-	-	-	-	1,665,268	1,665,268	-
7671	Traffic Mobility and Safety	40,701,592	40,701,592	-	-	-	-	40,701,592	40,701,592	-
7675	Right of Way - Field	22,513,596	22,513,596	-	-	-	-	22,513,596	22,513,596	-
7685	Transportation Planning Program - Field	27,746,288	27,746,288	-	750,000	750,000	-	28,496,288	28,496,288	-
7690	IT Group	26,288,315	26,288,315	-	-	-	-	26,288,315	26,288,315	-
7695	Project Development and Environmental Analysis - Field	67,153,485	67,153,485	-	-	-	-	67,153,485	67,153,485	-
7700	Construction and Maintenance - Field	1,686,802,651	1,686,802,651	-	-	-	-	1,686,802,651	1,686,802,651	-
7705	Grants - Field	339,572,512	339,572,512	-	-	-	-	339,572,512	339,572,512	-
7710	Equipment and Inventory Unit	163,484,244	163,484,244	-	-	-	-	163,484,244	163,484,244	-
	FIELD OPERATIONS	**4,078,514,002**	**4,078,514,002**	**-**	**750,000**	**750,000**	**-**	**4,079,264,002**	**4,079,264,002**	**-**
Department-wide Items										
	Vacant Positions	-	-	-	14,000,000	14,000,000	-	14,000,000	14,000,000	-
	DEPARTMENT-WIDE ITEMS	**-**	**-**	**-**	**14,000,000**	**14,000,000**	**-**	**14,000,000**	**14,000,000**	**-**
Total		**$ 7,245,197,068**	**$ 5,236,376,809**	**$ 2,008,820,259**	**$ 197,176,182**	**$ 14,750,000**	**$ 182,426,182**	**$ 7,442,373,250**	**$ 5,251,126,809**	**$ 2,191,246,441**
Total (excluding duplicate receipt-supported fund codes)		**$ 3,166,683,066**	**$ 1,157,862,807**	**$ 2,008,820,259**	**$ 197,176,182**	**$ 14,750,000**	**$ 182,426,182**	**$ 3,363,859,248**	**$ 1,172,612,807**	**$ 2,191,246,441**

Summary of Highway Fund Appropriations
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Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
0001	Board of Transportation	79,834	-	79,834	-	-	-	79,834	-	79,834
0002	Communications	1,792,975	-	1,792,975	-	-	-	1,792,975	-	1,792,975
0006	Legal - Attorney General Staff	1,425,655	-	1,425,655	-	-	-	1,425,655	-	1,425,655
0007	Administration - Secretary	3,081,458	139,700	2,941,758	-	-	-	3,081,458	139,700	2,941,758
0177	Computer Systems	386,728	386,728	-	-	-	-	386,728	386,728	-
1096	Strategic Prioritization - Office of Transportation - Administration	179,446	-	179,446	-	-	-	179,446	-	179,446
1104	Governance Office - Admin	645,574	-	645,574	-	-	-	645,574	-	645,574
7011	Inspector General	2,539,045	697,922	1,841,123	-	-	-	2,539,045	697,922	1,841,123
7015	Human Resources	4,527,752	-	4,527,752	-	-	-	4,527,752	-	4,527,752
7020	Financial	9,794,920	4,226,752	5,568,168	3,880,500	80,500	3,800,000	13,675,420	4,307,252	9,368,168
7025	Information Technology	58,414,111	6,569,209	51,844,902		-	-	58,414,111	6,569,209	51,844,902
7030	Administrative Support Services	12,718,196	-	12,718,196	-	-	-	12,718,196	-	12,718,196
7031	Facilities Management	8,328,625	1,323,598	7,005,027	-	-	-	8,328,625	1,323,598	7,005,027
	ADMINISTRATION- DOT	**103,914,319**	**13,343,909**	**90,570,410**	**3,880,500**	**80,500**	**3,800,000**	**107,794,819**	**13,424,409**	**94,370,410**
0055	Chief Engineer	823,334	-	823,334	-	-	-	823,334	-	823,334
0056	Deputy Chief Engineer of Operations	847,085	-	847,085	-	-	-	847,085	-	847,085
0064	Director of Preconstruction	-	-	-	-	-	-	-	-	-
0149	Transportation Mobility and Safety	5,476,639	5,476,639	-	-	-	-	5,476,639	5,476,639	-
0178	Project Development and Environmental Analysis	901,876	901,876	-	-	-	-	901,876	901,876	-
0179	PDE Engineer Trainee Program	-	-	-	-	-	-	-	-	-
1018	Chief Engineer DOH Special Projects	364,066	364,066	-	-	-	-	364,066	364,066	-
1065	Utilities Unit - Administration	307,055	307,055	-	-	-	-	307,055	307,055	-
1067	Materials and Tests Unit	1,074,979	1,074,979	-	-	-	-	1,074,979	1,074,979	-
1069	Roadside Environmental Unit	2,452,868	-	2,452,868	-	-	-	2,452,868	-	2,452,868
1070	Construction Unit	634,892	634,892	-	-	-	-	634,892	634,892	-
1078	Office of Civil Rights Admin	334,373	334,373	-	-	-	-	334,373	334,373	-
1129	Office of Civil Rights	378,698	378,698	-	-	-	-	378,698	378,698	-
1130	Office of Civil Rights	787,724	-	787,724	-	-	-	787,724	-	787,724
1186	Structure Management	335,069	335,069	-	-	-	-	335,069	335,069	-
1201	Division 1 - Right of Way Administration	49,286	49,286	-	-	-	-	49,286	49,286	-
1202	Division 2 - Right of Way Administration	50,137	50,137	-	-	-	-	50,137	50,137	-
1203	Division 3 - Right of Way Administration	60,685	60,685	-	-	-	-	60,685	60,685	-
1204	Division 4 - Right of Way Administration	51,774	51,774	-	-	-	-	51,774	51,774	-
1205	Division 5 - Right of Way Administration	62,781	62,781	-	-	-	-	62,781	62,781	-
1206	Division 6 - Right of Way Administration	52,884	52,884	-	-	-	-	52,884	52,884	-
1207	Division 7 - Right of Way Administration	-	-	-	-	-	-	-	-	-
1208	Division 8 - Right of Way Administration	47,596	47,596	-	-	-	-	47,596	47,596	-
1209	Division 9 - Right of Way Administration	109,227	109,227	-	-	-	-	109,227	109,227	-
1210	Division 10 - Right of Way Administration	46,765	46,765	-	-	-	-	46,765	46,765	-
1211	Division 11 - Right of Way Administration	52,593	52,593	-	-	-	-	52,593	52,593	-
1212	Division 12 - Right of Way Administration	41,667	41,667	-	-	-	-	41,667	41,667	-
1213	Division 13 - Right of Way Administration	45,491	45,491	-	-	-	-	45,491	45,491	-
1214	Division 14 - Right of Way Administration	52,133	52,133	-	-	-	-	52,133	52,133	-
1256	Program Development - Administration	1,561,390	1,561,390	-	-	-	-	1,561,390	1,561,390	-
1272	Program Development - HF Admin	69,715	-	69,715	-	-	-	69,715	-	69,715
7070	Transportation Planning Program	168,244	168,244	-	750,000	-	750,000	918,244	168,244	750,000

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Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7080	Division 1	1,567,705	-	1,567,705	-	-	-	1,567,705	-	1,567,705
7085	Division 2	1,709,170	-	1,709,170	-	-	-	1,709,170	-	1,709,170
7090	Division 3	1,738,523	-	1,738,523	-	-	-	1,738,523	-	1,738,523
7095	Division 4	1,643,843	-	1,643,843	-	-	-	1,643,843	-	1,643,843
7100	Division 5	1,835,321	-	1,835,321	-	-	-	1,835,321	-	1,835,321
7105	Division 6	1,720,353	-	1,720,353	-	-	-	1,720,353	-	1,720,353
7110	Division 7	1,818,700	-	1,818,700	-	-	-	1,818,700	-	1,818,700
7115	Division 8	1,533,563	-	1,533,563	-	-	-	1,533,563	-	1,533,563
7120	Division 9	1,599,278	-	1,599,278	-	-	-	1,599,278	-	1,599,278
7125	Division 10	2,130,501	-	2,130,501	-	-	-	2,130,501	-	2,130,501
7130	Division 11	1,451,895	-	1,451,895	-	-	-	1,451,895	-	1,451,895
7135	Division 12	1,450,420	-	1,450,420	-	-	-	1,450,420	-	1,450,420
7140	Division 13	1,396,517	-	1,396,517	-	-	-	1,396,517	-	1,396,517
7145	Division 14	1,753,918	-	1,753,918	-	-	-	1,753,918	-	1,753,918
7150	Preconstruction Design Administration	1,560,490	1,560,490	-	-	-	-	1,560,490	1,560,490	-
7152	OCR - On-the-Job Training Grant	-	-	-	-	-	-	-	-	-
7153	Technical Services - Administration	5,227,881	4,830,782	397,099	-	-	-	5,227,881	4,830,782	397,099
7175	Field Operations Support	1,059,855	-	1,059,855	-	-	-	1,059,855	-	1,059,855
7176	State Asset Management	1,591,588	40,000	1,551,588	-	-	-	1,591,588	40,000	1,551,588
7185	Safety	3,274,193	580,944	2,693,249	-	-	-	3,274,193	580,944	2,693,249
7190	Right of Way - Administration	2,619,608	2,619,608	-	-	-	-	2,619,608	2,619,608	-
	ADMINISTRATION- DOH	**55,924,348**	**21,892,124**	**34,032,224**	**750,000**	**-**	**750,000**	**56,674,348**	**21,892,124**	**34,782,224**
7812	Construction - Secondary	12,000,000	-	12,000,000	-	-	-	12,000,000	-	12,000,000
7814	Construction - Public Service Roads	1,723,707	-	1,723,707	(1,723,707)	-	(1,723,707)	-	-	-
7817	Spot Safety	12,100,000	-	12,100,000	-	-	-	12,100,000	-	12,100,000
7818	Construction - Contingency	12,000,000	-	12,000,000	-	-	-	12,000,000	-	12,000,000
7837	Division of Small Urban Construction	2,500,000	-	2,500,000	(2,500,000)	-	(2,500,000)	-	-	-
7838	Economic Development	4,036,171	-	4,036,171	(4,036,171)	-	(4,036,171)	-	-	-
	Mobility/Modernization Program	-	-	-	40,000,000	-	40,000,000	40,000,000	-	40,000,000
	CONSTRUCTION	**44,359,878**	**-**	**44,359,878**	**31,740,122**	**-**	**31,740,122**	**76,100,000**	**-**	**76,100,000**
0934	Reserve - General Maintenance	463,365,911	-	463,365,911	(121,448,179)	-	(121,448,179)	341,917,732	-	341,917,732
7821	Maintenance - Primary	-	-	-	-	-	-	-	-	-
7822	Maintenance - Secondary	-	-	-	-	-	-	-	-	-
7824	Contract Resurfacing	498,432,709	-	498,432,709	-	-	-	498,432,709	-	498,432,709
7839	Bridge Program	242,578,738	-	242,578,738	38,580,000	-	38,580,000	281,158,738	-	281,158,738
	Bridge Preservation	-	-	-	90,000,000	-	90,000,000	90,000,000	-	90,000,000
	Roadside Environmental	-	-	-	104,000,000	-	104,000,000	104,000,000	-	104,000,000
7841	Pavement Preservation	85,161,756	-	85,161,756	40,000,000	-	40,000,000	125,161,756	-	125,161,756
	MAINTENANCE	**1,289,539,114**	**-**	**1,289,539,114**	**151,131,821**	**-**	**151,131,821**	**1,440,670,935**	**-**	**1,440,670,935**
7827	FHWA Construction	883,056,800	883,056,800	-	-	-	-	883,056,800	883,056,800	-
	PLANNING & RESEARCH	**883,056,800**	**883,056,800**	**-**	**-**	**-**	**-**	**883,056,800**	**883,056,800**	**-**
7832	OSHA Program	358,030	-	358,030	-	-	-	358,030	-	358,030
	OSHA	**358,030**	**-**	**358,030**	**-**	**-**	**-**	**358,030**	**-**	**358,030**

Summary of Highway Fund Appropriations
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Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7836	State Aid - Highway Fund for WBS	147,500,000	-	147,500,000	-	-	-	147,500,000	-	147,500,000
	STATE AID TO MUNICIPALITIES	**147,500,000**	**-**	**147,500,000**	**-**	**-**	**-**	**147,500,000**	**-**	**147,500,000**
0035	Bicycle Program	724,032	-	724,032	-	-	-	724,032	-	724,032
0036	Public Transportation	434,523	-	434,523	-	-	-	434,523	-	434,523
7831	Public Transportation - Highway Fund	130,629,621	38,786,552	91,843,069	250,000	-	250,000	130,879,621	38,786,552	92,093,069
0037	Rail Division	621,357	-	621,357	-	-	-	621,357	-	621,357
7829	Railroad Program	36,797,805	-	36,797,805	1,597,200	-	1,597,200	38,395,005	-	38,395,005
	Rail Equipment Overhaul	-	-	-	4,834,000	-	4,834,000	4,834,000	-	4,834,000
0041	Aeronautics	2,299,073	203,717	2,095,356	-	-	-	2,299,073	203,717	2,095,356
7830	Airports Program	66,517,417	20,000,000	46,517,417	55,400,000	-	55,400,000	121,917,417	20,000,000	101,917,417
7040	Ferry Administration	1,302,269	-	1,302,269	-	-	-	1,302,269	-	1,302,269
7825	Ferry Operations	46,181,106	2,500,000	43,681,106	-	-	-	46,181,106	2,500,000	43,681,106
	MULTI-MODAL	**285,507,203**	**61,490,269**	**224,016,934**	**62,081,200**	**-**	**62,081,200**	**347,588,403**	**61,490,269**	**286,098,134**
0042	Governor's Highway Safety Program	510,734	255,367	255,367	-	-	-	510,734	255,367	255,367
7828	Governor's Highway Safety Program	13,500,000	13,500,000	-	-	-	-	13,500,000	13,500,000	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	**14,010,734**	**13,755,367**	**255,367**	**-**	**-**	**-**	**14,010,734**	**13,755,367**	**255,367**
0049	Driver Licensing	-	-	-	-	-	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	11,128,541	-	11,128,541	-	-	-	11,128,541	-	11,128,541
7050	DMV - Commissioner's Office	4,670,380	11,000	4,659,380	500,000	-	500,000	5,170,380	11,000	5,159,380
7055	DMV Field Services	97,575,917	18,216,647	79,359,270	4,210,000	-	4,210,000	101,785,917	18,216,647	83,569,270
7056	DMV Processing Services	18,028,848	8,187,019	9,841,829	(300,944)	-	(300,944)	17,727,904	8,187,019	9,540,885
7060	License and Theft Bureau	15,887,669	759,748	15,127,921	-	-	-	15,887,669	759,748	15,127,921
	DIVISION OF MOTOR VEHICLES	**147,291,355**	27,174,414	**120,116,941**	**4,409,056**	**-**	**4,409,056**	**151,700,411**	**27,174,414**	**124,525,997**
0852	Department of Revenue - International Registration Plan	232,060	-	232,060	-	-	-	232,060	-	232,060
0862	Department of Agriculture - Gasoline Inspection Fee	5,351,999	-	5,351,999	-	-	-	5,351,999	-	5,351,999
0864	Department of Revenue - Gasoline Tax Collections	5,056,503	-	5,056,503	-	-	-	5,056,503	-	5,056,503
0865	DHHS - Chemical Testing	569,753	-	569,753	-	-	-	569,753	-	569,753
0889	Office of State Budget and Management -Civil Penalty	59,025,029	59,025,029	-	-	-	-	59,025,029	59,025,029	-
0893	Office of State Controller - Best Shared Services	505,399	-	505,399	-	-	-	505,399	-	505,399
1260	State Ethics Commission	56,816	-	56,816	-	-	-	56,816	-	56,816
7834	Motor Carrier Safety	2,123,200	-	2,123,200	-	-	-	2,123,200	-	2,123,200
0878	Local Fire Protection Funds- DOT Facilities	-	-	-	158,000	-	158,000	158,000		158,000
	OTHER STATE AGENCIES	**72,920,759**	**59,025,029**	**13,895,730**	**158,000**	**-**	**158,000**	**73,078,759**	**59,025,029**	**14,053,730**
0868	General Fund - Sales Tax Exemption	-	-	-	-	-	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-	-	-	-	-	-
	TRANSFER TO GENERAL FUND	-	-	-	-	-	-	-	-	-
0869	Reserve - Global TransPark	750,000	-	750,000	400,000	-	400,000	1,150,000	-	1,150,000
1288	North Carolina State Ports Authority	35,000,000	-	35,000,000	(35,000,000)	-	(35,000,000)	-	-	-
	TRANSFER TO AUTHORITIES	**35,750,000**	**-**	**35,750,000**	**(34,600,000)**	**-**	**(34,600,000)**	**1,150,000**	**-**	**1,150,000**

Summary of Highway Fund Appropriations
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Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
0871	Employer's Contribution - Retirement	266,525	-	266,525	5,045,061	-	5,045,061	5,311,586	-	5,311,586
0873	Legislative Salary Increases	1,327,923	-	1,327,923	-	-	-	1,327,923	-	1,327,923
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	7,293,491	-	7,293,491	7,293,491	-	7,293,491
0877	Stormwater Management	500,000	-	500,000	-	-	-	500,000	-	500,000
0878	State Fire Protection Grant Fund	-	-	-	-	-	-	-	-	-
0881	Consolidated Call Center	556,074	-	556,074	-	-	-	556,074	-	556,074
0882	Reserve - Visitor Center	400,000	400,000	-	-	-	-	400,000	400,000	-
0885	Reserve - State Employee Medical Plan	884,311	-	884,311	2,809,063	-	2,809,063	3,693,374	-	3,693,374
0933	Reserve - Minority Contractor Development	150,000	-	150,000	-	-	-	150,000	-	150,000
0937	Reserve - Administration Reduction	(2,064,244)	-	(2,064,244)	-	-	-	(2,064,244)	-	(2,064,244)
1289	Workers' Compensation Adjustment Reserve	6,830,000	-	6,830,000	-	-	-	6,830,000	-	6,830,000
	OTHER RESERVES	**8,850,589**	**400,000**	**8,450,589**	**15,147,615**	**-**	**15,147,615**	**23,998,204**	**400,000**	**23,598,204**
0892	GARVEE Bond Redemption	70,445,000	70,445,000	-	-	-	-	70,445,000	70,445,000	-
	DEBT SERVICE	**70,445,000**	70,445,000	-	-	-	-	**70,445,000**	**70,445,000**	-
7826	Capital Improvements	-	-	-	8,600,000	-	8,600,000	8,600,000	-	8,600,000
	CAPITAL IMPROVEMENTS	-	-	-	**8,600,000**	-	**8,600,000**	**8,600,000**	-	**8,600,000**
0704	Legal - Field	8,236,182	8,236,182	-	-	-	-	8,236,182	8,236,182	-
0714	Engineer Trainee Program	4,138,739	4,138,739	-	-	-	-	4,138,739	4,138,739	-
0720	Governor's Highway Safety Program	21,424,686	21,424,686	-	-	-	-	21,424,686	21,424,686	-
1017	Director of Preconstruction - Field	-	-	-	-	-	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	4,292,549	4,292,549	-	-	-	-	4,292,549	4,292,549	-
1066	Utilities Unit - Field	63,661,088	63,661,088	-	-	-	-	63,661,088	63,661,088	-
1068	Materials and Tests - Field	28,672,182	28,672,182	-	-	-	-	28,672,182	28,672,182	-
1071	Construction Unit - Field	3,840,643	3,840,643	-	-	-	-	3,840,643	3,840,643	-
1080	Roadside Environmental Unit - SW Field	7,257,152	7,257,152	-	-	-	-	7,257,152	7,257,152	-
1081	Office of Civil Rights - Field	3,029,089	3,029,089	-	-	-	-	3,029,089	3,029,089	-
1087	Safe Routes to School - Field	2,322,449	2,322,449	-	-	-	-	2,322,449	2,322,449	-
1088	Public Information - Field	745,717	745,717	-	-	-	-	745,717	745,717	-
1097	Strategic Prioritization - Office of Transportation - Field	1,661,922	1,661,922	-	-	-	-	1,661,922	1,661,922	-
1098	HR Talent Management - Field	357,756	357,756	-	-	-	-	357,756	357,756	-
1099	Governance Office - Field	672,680	672,680	-	-	-	-	672,680	672,680	-
1111	Inspector General - Field	-	-	-	-	-	-	-	-	-
1112	State Road Maintenance - Field	6,623,093	6,623,093	-	-	-	-	6,623,093	6,623,093	-
1136	State Road Maintenance - Field	1,847,198	1,847,198	-	-	-	-	1,847,198	1,847,198	-
1255	Performance Metrics Management	175,264	175,264	-	-	-	-	175,264	175,264	-
1258	Program Development - Field	9,050,749	9,050,749	-	-	-	-	9,050,749	9,050,749	-
7200	01 Field	62,729,829	62,729,829	-	-	-	-	62,729,829	62,729,829	-
7235	02 Field	66,745,541	66,745,541	-	-	-	-	66,745,541	66,745,541	-
7265	03 Field	106,820,091	106,820,091	-	-	-	-	106,820,091	106,820,091	-
7295	04 Field	67,274,000	67,274,000	-	-	-	-	67,274,000	67,274,000	-
7325	05 Field	93,102,008	93,102,008	-	-	-	-	93,102,008	93,102,008	-
7355	06 Field	74,468,457	74,468,457	-	-	-	-	74,468,457	74,468,457	-
7385	07 Field	95,941,616	95,941,616	-	-	-	-	95,941,616	95,941,616	-
7415	08 Field	73,995,420	73,995,420	-	-	-	-	73,995,420	73,995,420	-

Summary of Highway Fund Appropriations
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Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84210										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7445	09 Field	128,469,813	128,469,813	-	-	-	-	128,469,813	128,469,813	-
7470	10 Field	124,994,869	124,994,869	-	-	-	-	124,994,869	124,994,869	-
7500	11 Field	103,246,606	103,246,606	-	-	-	-	103,246,606	103,246,606	-
7530	12 Field	79,712,234	79,712,234	-	-	-	-	79,712,234	79,712,234	-
7555	13 Field	72,147,258	72,147,258	-	-	-	-	72,147,258	72,147,258	-
7580	14 Field	75,729,519	75,729,519	-	-	-	-	75,729,519	75,729,519	-
7610	IT - Field	43,838,553	43,838,553	-	-	-	-	43,838,553	43,838,553	-
7615	Ferry	52,415,641	52,415,641	-	-	-	-	52,415,641	52,415,641	-
7620	Facilities Management and Operations Support	17,087,736	17,087,736	-	-	-	-	17,087,736	17,087,736	-
7625	Preconstruction Design - Field	55,894,338	55,894,338	-	-	-	-	55,894,338	55,894,338	-
7626	Technical Services - Field	98,542,690	98,542,690	-	-	-	-	98,542,690	98,542,690	-
7627	Structure Management - Field	41,420,694	41,420,694	-	-	-	-	41,420,694	41,420,694	-
7665	Construction Materials - Field	1,665,268	1,665,268	-	-	-	-	1,665,268	1,665,268	-
7671	Traffic Mobility and Safety	40,701,592	40,701,592	-	-	-	-	40,701,592	40,701,592	-
7675	Right of Way - Field	22,513,596	22,513,596	-	-	-	-	22,513,596	22,513,596	-
7685	Transportation Planning Program - Field	27,746,288	27,746,288	-	750,000	750,000	-	28,496,288	28,496,288	-
7690	IT Group	26,288,315	26,288,315	-	-	-	-	26,288,315	26,288,315	-
7695	Project Development and Environmental Analysis - Field	67,153,485	67,153,485	-	-	-	-	67,153,485	67,153,485	-
7700	Construction and Maintenance - Field	1,686,802,651	1,686,802,651	-	-	-	-	1,686,802,651	1,686,802,651	-
7705	Grants - Field	339,572,512	339,572,512	-	-	-	-	339,572,512	339,572,512	-
7710	Equipment and Inventory Unit	163,484,244	163,484,244	-	-	-	-	163,484,244	163,484,244	-
	FIELD OPERATIONS	**4,078,514,002**	**4,078,514,002**		**750,000**	**750,000**	**-**	**4,079,264,002**	**4,079,264,002**	**-**
Department-wide Items										
	Vacant Positions	-	-	-	14,000,000	14,000,000	-	14,000,000	14,000,000	-
	DEPARTMENT-WIDE ITEMS	**-**	**-**	**-**	**14,000,000**	**14,000,000**	**-**	**14,000,000**	**14,000,000**	**-**
Total		**$ 7,237,942,131**	**$ 5,229,096,914**	**$ 2,008,845,217**	**$ 258,048,314**	**$ 14,830,500**	**$ 243,217,814**	**$ 7,495,990,445**	**$ 5,243,927,414**	**$ 2,252,063,031**
Total (excluding duplicate receipt-supported fund codes)		**$ 3,159,428,129**	**$ 1,150,582,912**	**$ 2,008,845,217**	**$ 258,048,314**	**$ 14,830,500**	**$ 243,217,814**	**$ 3,417,476,443**	**$ 1,165,413,412**	**$ 2,252,063,031**

Summary of Highway Fund Total Requirements FTE
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Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0001	Board of Transportation	-	-	-	-
0002	Communications	17.00	-	-	17.00
0006	Legal - Attorney General Staff	17.00	-	-	17.00
0007	Administration - Secretary	24.00	-	-	24.00
0177	Computer Systems	3.00	-	-	3.00
1096	Strategic Prioritization - Office of Transportation - Administration	1.00	-	-	1.00
1104	Governance Office - Admin	6.00	-	-	6.00
7011	Inspector General	25.00	-	-	25.00
7015	Human Resources	55.00	-	-	55.00
7020	Financial	112.00	-	-	112.00
7025	Information Technology	123.00	-	-	123.00
7030	Administrative Support Services	20.00	-	-	20.00
7031	Facilities Management	28.00	-	-	28.00
	ADMINISTRATION- DOT	**431.00**	**-**	**-**	**431.00**
0055	Chief Engineer	7.00	-	-	7.00
0056	Deputy Chief Engineer of Operations	4.00	-	-	4.00
0064	Director of Preconstruction	-	-	-	-
0149	Transportation Mobility and Safety	49.00	-	-	49.00
0178	Project Development and Environmental Analysis	7.00	-	-	7.00
0179	PDE Engineer Trainee Program	-	-	-	-
1018	Chief Engineer DOH Special Projects	3.00	-	-	3.00
1065	Utilities Unit - Administration	4.00	-	-	4.00
1067	Materials and Tests Unit	16.00	-	-	16.00
1069	Roadside Environmental Unit	23.00	-	-	23.00
1070	Construction Unit	6.00	-	-	6.00
1078	Office of Civil Rights Admin	3.00	-	-	3.00
1129	Office of Civil Rights	4.00	-	-	4.00
1130	Office of Civil Rights	8.00	-	-	8.00
1186	Structure Management	3.00	-	-	3.00
1201	Division 1 - Right of Way Administration	1.00	-	-	1.00
1202	Division 2 - Right of Way Administration	1.00	-	-	1.00
1203	Division 3 - Right of Way Administration	1.00	-	-	1.00
1204	Division 4 - Right of Way Administration	1.00	-	-	1.00
1205	Division 5 - Right of Way Administration	1.00	-	-	1.00
1206	Division 6 - Right of Way Administration	1.00	-	-	1.00
1207	Division 7 - Right of Way Administration	-	-	-	-
1208	Division 8 - Right of Way Administration	1.00	-	-	1.00
1209	Division 9 - Right of Way Administration	2.00	-	-	2.00
1210	Division 10 - Right of Way Administration	1.00	-	-	1.00
1211	Division 11 - Right of Way Administration	1.00	-	-	1.00
1212	Division 12 - Right of Way Administration	1.00	-	-	1.00
1213	Division 13 - Right of Way Administration	1.00	-	-	1.00
1214	Division 14 - Right of Way Administration	1.00	-	-	1.00
1256	Program Development - Administration	16.00	-	-	16.00
1272	Program Development - HF Admin	1.00	-	-	1.00
7070	Transportation Planning Program	3.00	-	-	3.00
7080	Division 1	17.00	-	-	17.00
7085	Division 2	18.00	-	-	18.00
7090	Division 3	19.00	-	-	19.00
7095	Division 4	17.00	-	-	17.00
7100	Division 5	20.00	-	-	20.00
7105	Division 6	18.00	-	-	18.00
7110	Division 7	20.00	-	-	20.00
7115	Division 8	17.00	-	-	17.00
7120	Division 9	18.00	-	-	18.00
7125	Division 10	24.00	-	-	24.00
7130	Division 11	14.00	-	-	14.00
7135	Division 12	15.00	-	-	15.00
7140	Division 13	14.00	-	-	14.00
7145	Division 14	19.00	-	-	19.00

Summary of Highway Fund Total Requirements FTE
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Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7150	Preconstruction Design Administration	14.00	-	-	14.00
7152	OCR - On-the-Job Training Grant	-	-	-	-
7153	Technical Services - Administration	49.00	-	-	49.00
7175	Field Operations Support	10.00	-	-	10.00
7176	State Asset Management	17.00	-	-	17.00
7185	Safety	16.00	-	-	16.00
7190	Right of Way - Administration	27.00	-	-	27.00
	ADMINISTRATION- DOH	**554.00**	**-**	**-**	**554.00**
7812	Construction - Secondary	-	-	-	-
7814	Construction - Public Service Roads	-	-	-	-
7817	Spot Safety	-	-	-	-
7818	Construction - Contingency	-	-	-	-
7837	Division of Small Urban Construction	-	-	-	-
7838	Economic Development	-	-	-	-
	CONSTRUCTION	**-**	**-**	**-**	**-**
0934	Reserve - General Maintenance	-	-	-	-
7821	Maintenance - Primary	-	-	-	-
7822	Maintenance - Secondary	-	-	-	-
7824	Contract Resurfacing	-	-	-	-
7839	Bridge Program	-	-	-	-
7841	Pavement Preservation	-	-	-	-
	MAINTENANCE	**-**	**-**	**-**	**-**
7827	FHWA Construction	-	-	-	-
	PLANNING & RESEARCH	**-**	**-**	**-**	**-**
7832	OSHA Program	-	-	-	-
	OSHA	**-**	**-**	**-**	**-**
7836	State Aid - Highway Fund for WBS	-	-	-	-
	STATE AID TO MUNICIPALITIES	**-**	**-**	**-**	**-**
0035	Bicycle Program	3.00	-	-	3.00
0036	Public Transportation	4.00	-	-	4.00
0037	Rail Division	7.00	-	-	7.00
0041	Aeronautics	16.00	-	-	16.00
7040	Ferry Administration	13.00	-	-	13.00
7825	Ferry Operations	-	-	-	-
7829	Railroad Program	-	-	-	-
7830	Airports Program	-	-	-	-
7831	Public Transportation - Highway Fund	-	-	-	-
	MULTI-MODAL	**43.00**	**-**	**-**	**43.00**
0042	Governor's Highway Safety Program	5.00	-	-	5.00
7828	Governor's Highway Safety Program	-	-	-	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	**5.00**	**-**	**-**	**5.00**
0049	Driver Licensing	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	109.00	-	-	109.00
7050	DMV - Commissioner's Office	49.00	-	-	49.00
7055	DMV Field Services	951.00	-	-	951.00
7056	DMV Processing Services	274.00	6.00	-	280.00
7060	License and Theft Bureau	175.00	-	-	175.00
	DIVISION OF MOTOR VEHICLES	**1,558.00**	**6.00**	**-**	**1,564.00**
0852	Department of Revenue - International Registration Plan	-	-	-	-
0862	Department of Agriculture - Gasoline Inspection Fee	-	-	-	-
0864	Department of Revenue - Gasoline Tax Collections	-	-	-	-
0865	DHHS - Chemical Testing	-	-	-	-

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0889	Office of State Budget and Management -Civil Penalty	-	-	-	-
0893	Office of State Controller - Best Shared Services	-	-	-	-
1260	State Ethics Commission	-	-	-	-
7834	Motor Carrier Safety	-	-	-	-
	OTHER STATE AGENCIES	-	-	-	-
0868	General Fund - Sales Tax Exemption	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-
	TRANSFER TO GENERAL FUND	-	-	-	-
0869	Reserve - Global TransPark	-	-	-	-
1288	North Carolina State Ports Authority	-	-	-	-
	TRANSFER TO AUTHORITIES	-	-	-	-
0871	Employer's Contribution - Retirement	-	-	-	-
0873	Legislative Salary Increases	-	-	-	-
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-
0877	Stormwater Management	-	-	-	-
0878	State Fire Protection Grant Fund	-	-	-	-
0881	Consolidated Call Center	-	-	-	-
0882	Reserve - Visitor Center	-	-	-	-
0885	Reserve - State Employee Medical Plan	-	-	-	-
0933	Reserve - Minority Contractor Development	-	-	-	-
0937	Reserve - Administration Reduction	-	-	-	-
1289	Workers' Compensation Adjustment Reserve	-	-	-	-
	OTHER RESERVES	-	-	-	-
0892	GARVEE Bond Redemption	-	-	-	-
	DEBT SERVICE	-	-	-	-
7826	Capital Improvements	-	-	-	-
	CAPITAL IMPROVEMENTS	-	-	-	-
0704	Legal - Field	45.00	-	-	45.00
0714	Engineer Trainee Program	44.00	-	-	44.00
0720	Governor's Highway Safety Program	7.00	-	-	7.00
1017	Director of Preconstruction - Field	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	21.00	-	-	21.00
1066	Utilities Unit - Field	17.00	-	-	17.00
1068	Materials and Tests - Field	180.00	-	-	180.00
1071	Construction Unit - Field	22.00	-	-	22.00
1080	Roadside Environmental Unit - SW Field	37.00	-	-	37.00
1081	Office of Civil Rights - Field	22.00	-	-	22.00
1087	Safe Routes to School - Field	1.00	-	-	1.00
1088	Public Information - Field	7.00	-	-	7.00
1097	Strategic Prioritization - Office of Transportation - Field	2.00	-	-	2.00
1098	HR Talent Management - Field	1.00	-	-	1.00
1099	Governance Office - Field	5.00	-	-	5.00
1111	Inspector General - Field	-	-	-	-
1112	State Road Maintenance - Field	16.00	-	-	16.00
1136	State Road Maintenance - Field	3.00	-	-	3.00
1255	Performance Metrics Management	2.00	-	-	2.00
1258	Program Development - Field	14.00	-	-	14.00
7200	01 Field	414.00	-	-	414.00
7235	02 Field	348.00	-	-	348.00
7265	03 Field	360.00	-	-	360.00
7295	04 Field	401.00	-	-	401.00
7325	05 Field	446.00	-	-	446.00
7355	06 Field	375.00	-	-	375.00
7385	07 Field	340.00	-	-	340.00
7415	08 Field	383.00	-	-	383.00

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7445	09 Field	309.00	-	-	309.00
7470	10 Field	358.00	-	-	358.00
7500	11 Field	456.00	-	-	456.00
7530	12 Field	333.00	-	-	333.00
7555	13 Field	385.00	-	-	385.00
7580	14 Field	431.00	-	-	431.00
7610	IT - Field	158.00	-	-	158.00
7615	Ferry	451.00	-	-	451.00
7620	Facilities Management and Operations Support	9.00	-	-	9.00
7625	Preconstruction Design - Field	204.00	-	-	204.00
7626	Technical Services - Field	268.00	-	-	268.00
7627	Structure Management - Field	189.00	-	-	189.00
7665	Construction Materials - Field	-	-	-	-
7671	Traffic Mobility and Safety	165.00	-	-	165.00
7675	Right of Way - Field	61.00	-	-	61.00
7685	Transportation Planning Program - Field	109.00	-	7.00	116.00
7690	IT Group	119.00	-	-	119.00
7695	Project Development and Environmental Analysis - Field	97.00	-	-	97.00
7700	Construction and Maintenance - Field	1,103.00	-	-	1,103.00
7705	Grants - Field	71.00	-	-	71.00
7710	Equipment and Inventory Unit	936.00	-	-	936.00
	FIELD OPERATIONS	**9,725.00**	**-**	**7.00**	**9,732.00**
DEPT-WIDE					
	Vacant Positions	-	-	(400.00)	(400.00)
	DEPARTMENT-WIDE ITEMS	**-**	**-**	**(400.00)**	**(400.00)**
Total FTE		**12,316.00**	**6.00**	**(393.00)**	**11,929.00**

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0001	Board of Transportation	-	-	-	-
0002	Communications	17.00	-	-	17.00
0006	Legal - Attorney General Staff	17.00	-	-	17.00
0007	Administration - Secretary	24.00	-	-	24.00
0177	Computer Systems	3.00	-	-	3.00
1096	Strategic Prioritization - Office of Transportation - Administration	1.00	-	-	1.00
1104	Governance Office - Admin	6.00	-	-	6.00
7011	Inspector General	25.00	-	-	25.00
7015	Human Resources	55.00	-	-	55.00
7020	Financial	112.00	-	1.00	113.00
7025	Information Technology	123.00	-	-	123.00
7030	Administrative Support Services	20.00	-	-	20.00
7031	Facilities Management	28.00	-	-	28.00
	ADMINISTRATION- DOT	**431.00**	**-**	**1.00**	**432.00**
0055	Chief Engineer	7.00	-	-	7.00
0056	Deputy Chief Engineer of Operations	4.00	-	-	4.00
0064	Director of Preconstruction	-	-	-	-
0149	Transportation Mobility and Safety	49.00	-	-	49.00
0178	Project Development and Environmental Analysis	7.00	-	-	7.00
0179	PDE Engineer Trainee Program	-	-	-	-
1018	Chief Engineer DOH Special Projects	3.00	-	-	3.00
1065	Utilities Unit - Administration	4.00	-	-	4.00
1067	Materials and Tests Unit	16.00	-	-	16.00
1069	Roadside Environmental Unit	23.00	-	-	23.00
1070	Construction Unit	6.00	-	-	6.00
1078	Office of Civil Rights Admin	3.00	-	-	3.00
1129	Office of Civil Rights	4.00	-	-	4.00
1130	Office of Civil Rights	8.00	-	-	8.00
1186	Structure Management	3.00	-	-	3.00
1201	Division 1 - Right of Way Administration	1.00	-	-	1.00
1202	Division 2 - Right of Way Administration	1.00	-	-	1.00
1203	Division 3 - Right of Way Administration	1.00	-	-	1.00
1204	Division 4 - Right of Way Administration	1.00	-	-	1.00
1205	Division 5 - Right of Way Administration	1.00	-	-	1.00
1206	Division 6 - Right of Way Administration	1.00	-	-	1.00
1207	Division 7 - Right of Way Administration	-	-	-	-
1208	Division 8 - Right of Way Administration	1.00	-	-	1.00
1209	Division 9 - Right of Way Administration	2.00	-	-	2.00
1210	Division 10 - Right of Way Administration	1.00	-	-	1.00
1211	Division 11 - Right of Way Administration	1.00	-	-	1.00
1212	Division 12 - Right of Way Administration	1.00	-	-	1.00
1213	Division 13 - Right of Way Administration	1.00	-	-	1.00
1214	Division 14 - Right of Way Administration	1.00	-	-	1.00
1256	Program Development - Administration	16.00	-	-	16.00
1272	Program Development - HF Admin	1.00	-	-	1.00
7070	Transportation Planning Program	3.00	-	-	3.00
7080	Division 1	17.00	-	-	17.00
7085	Division 2	18.00	-	-	18.00
7090	Division 3	19.00	-	-	19.00
7095	Division 4	17.00	-	-	17.00
7100	Division 5	20.00	-	-	20.00
7105	Division 6	18.00	-	-	18.00
7110	Division 7	20.00	-	-	20.00
7115	Division 8	17.00	-	-	17.00
7120	Division 9	18.00	-	-	18.00
7125	Division 10	24.00	-	-	24.00
7130	Division 11	14.00	-	-	14.00
7135	Division 12	15.00	-	-	15.00
7140	Division 13	14.00	-	-	14.00
7145	Division 14	19.00	-	-	19.00
7150	Preconstruction Design Administration	14.00	-	-	14.00
7152	OCR - On-the-Job Training Grant	-	-	-	-

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7153	Technical Services - Administration	49.00	-	-	49.00
7175	Field Operations Support	10.00	-	-	10.00
7176	State Asset Management	17.00	-	-	17.00
7185	Safety	16.00	-	-	16.00
7190	Right of Way - Administration	27.00	-	-	27.00
	ADMINISTRATION- DOH	**554.00**	**-**	**-**	**554.00**
7812	Construction - Secondary	-	-	-	-
7814	Construction - Public Service Roads	-	-	-	-
7817	Spot Safety	-	-	-	-
7818	Construction - Contingency	-	-	-	-
7837	Division of Small Urban Construction	-	-	-	-
7838	Economic Development	-	-	-	-
	CONSTRUCTION	**-**	**-**	**-**	**-**
0934	Reserve - General Maintenance	-	-	-	-
7821	Maintenance - Primary	-	-	-	-
7822	Maintenance - Secondary	-	-	-	-
7824	Contract Resurfacing	-	-	-	-
7839	Bridge Program	-	-	-	-
7841	Pavement Preservation	-	-	-	-
	MAINTENANCE	**-**	**-**	**-**	**-**
7827	FHWA Construction	-	-	-	-
	PLANNING & RESEARCH	**-**	**-**	**-**	**-**
7832	OSHA Program	-	-	-	-
	OSHA	**-**	**-**	**-**	**-**
7836	State Aid - Highway Fund for WBS	-	-	-	-
	STATE AID TO MUNICIPALITIES	**-**	**-**	**-**	**-**
0035	Bicycle Program	3.00	-	-	3.00
0036	Public Transportation	4.00	-	-	4.00
0037	Rail Division	7.00	-	-	7.00
0041	Aeronautics	16.00	-	-	16.00
7040	Ferry Administration	13.00	-	-	13.00
7825	Ferry Operations	-	-	-	-
7829	Railroad Program	-	-	-	-
7830	Airports Program	-	-	-	-
7831	Public Transportation - Highway Fund	-	-	-	-
	MULTI-MODAL	**43.00**	**-**	**-**	**43.00**
0042	Governor's Highway Safety Program	5.00	-	-	5.00
7828	Governor's Highway Safety Program	-	-	-	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	**5.00**	**-**	**-**	**5.00**
0049	Driver Licensing	-	-	-	-
0054	Motor Vehicle Exhaust Emissions	109.00	-	-	109.00
7050	DMV - Commissioner's Office	49.00	-	-	49.00
7055	DMV Field Services	951.00	-	-	951.00
7056	DMV Processing Services	274.00	6.00	-	280.00
7060	License and Theft Bureau	175.00	-	-	175.00
	DIVISION OF MOTOR VEHICLES	**1,558.00**	**6.00**	**-**	**1,564.00**
0852	Department of Revenue - International Registration Plan	-	-	-	-
0862	Department of Agriculture - Gasoline Inspection Fee	-	-	-	-
0864	Department of Revenue - Gasoline Tax Collections	-	-	-	-
0865	DHHS - Chemical Testing	-	-	-	-
0889	Office of State Budget and Management -Civil Penalty	-	-	-	-
0893	Office of State Controller - Best Shared Services	-	-	-	-
1260	State Ethics Commission	-	-	-	-
7834	Motor Carrier Safety	-	-	-	-

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
	OTHER STATE AGENCIES	-	-	-	-
0868	General Fund - Sales Tax Exemption	-	-	-	-
1165	General Fund - Highway Patrol	-	-	-	-
	TRANSFER TO GENERAL FUND	-	-	-	-
0869	Reserve - Global TransPark	-	-	-	-
1288	North Carolina State Ports Authority	-	-	-	-
	TRANSFER TO AUTHORITIES	-	-	-	-
0871	Employer's Contribution - Retirement	-	-	-	-
0873	Legislative Salary Increases	-	-	-	-
0875	Legislative Salary Increases-Compensation Bonus	-	-	-	-
0877	Stormwater Management	-	-	-	-
0878	State Fire Protection Grant Fund	-	-	-	-
0881	Consolidated Call Center	-	-	-	-
0882	Reserve - Visitor Center	-	-	-	-
0885	Reserve - State Employee Medical Plan	-	-	-	-
0933	Reserve - Minority Contractor Development	-	-	-	-
0937	Reserve - Administration Reduction	-	-	-	-
1289	Workers' Compensation Adjustment Reserve	-	-	-	-
	OTHER RESERVES	-	-	-	-
0892	GARVEE Bond Redemption	-	-	-	-
	DEBT SERVICE	-	-	-	-
7826	Capital Improvements	-	-	-	-
	CAPITAL IMPROVEMENTS	-	-	-	-
0704	Legal - Field	45.00	-	-	45.00
0714	Engineer Trainee Program	44.00	-	-	44.00
0720	Governor's Highway Safety Program	7.00	-	-	7.00
1017	Director of Preconstruction - Field	-	-	-	-
1020	Utilities Unit - Engineering and Encroachments	21.00	-	-	21.00
1066	Utilities Unit - Field	17.00	-	-	17.00
1068	Materials and Tests - Field	180.00	-	-	180.00
1071	Construction Unit - Field	22.00	-	-	22.00
1080	Roadside Environmental Unit - SW Field	37.00	-	-	37.00
1081	Office of Civil Rights - Field	22.00	-	-	22.00
1087	Safe Routes to School - Field	1.00	-	-	1.00
1088	Public Information - Field	7.00	-	-	7.00
1097	Strategic Prioritization - Office of Transportation - Field	2.00	-	-	2.00
1098	HR Talent Management - Field	1.00	-	-	1.00
1099	Governance Office - Field	5.00	-	-	5.00
1111	Inspector General - Field	-	-	-	-
1112	State Road Maintenance - Field	16.00	-	-	16.00
1136	State Road Maintenance - Field	3.00	-	-	3.00
1255	Performance Metrics Management	2.00	-	-	2.00
1258	Program Development - Field	14.00	-	-	14.00
7200	01 Field	414.00	-	-	414.00
7235	02 Field	348.00	-	-	348.00
7265	03 Field	360.00	-	-	360.00
7295	04 Field	401.00	-	-	401.00
7325	05 Field	446.00	-	-	446.00
7355	06 Field	375.00	-	-	375.00
7385	07 Field	340.00	-	-	340.00
7415	08 Field	383.00	-	-	383.00
7445	09 Field	309.00	-	-	309.00
7470	10 Field	358.00	-	-	358.00
7500	11 Field	456.00	-	-	456.00
7530	12 Field	333.00	-	-	333.00
7555	13 Field	385.00	-	-	385.00
7580	14 Field	431.00	-	-	431.00

Summary of Highway Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation Budget Code 84210		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7610	IT - Field	158.00	-	-	158.00
7615	Ferry	451.00	-	-	451.00
7620	Facilities Management and Operations Support	9.00	-	-	9.00
7625	Preconstruction Design - Field	204.00	-	-	204.00
7626	Technical Services - Field	268.00	-	-	268.00
7627	Structure Management - Field	189.00	-	-	189.00
7665	Construction Materials - Field	-	-	-	-
7671	Traffic Mobility and Safety	165.00	-	-	165.00
7675	Right of Way - Field	61.00	-	-	61.00
7685	Transportation Planning Program - Field	109.00	-	7.00	116.00
7690	IT Group	119.00	-	-	119.00
7695	Project Development and Environmental Analysis - Field	97.00	-	-	97.00
7700	Construction and Maintenance - Field	1,103.00	-	-	1,103.00
7705	Grants - Field	71.00	-	-	71.00
7710	Equipment and Inventory Unit	936.00	-	-	936.00
	FIELD OPERATIONS	**9,725.00**	**-**	**7.00**	**9,732.00**
DEPT-WIDE					
	Vacant Positions	-	-	(400.00)	(400.00)
	DEPARTMENT-WIDE ITEMS	**-**	**-**	**(400.00)**	**(400.00)**
Total FTE		**12,316.00**	**6.00**	**(392.00)**	**11,930.00**

Highway Fund

	HIGHWAY FUND	
	FY 17-18	FY 18-19
Recommended Base Budget	**$2,008,820,259**	**$2,008,845,217**

Legislative Changes

Adjustments to Availability

1 Division of Motor Vehicles (DMV) Hearing Fees
Fund Code: N/A

Increases forecasted revenue by $2,150,000 in FY 2017-18 and $4,300,000 in FY 2018-19 based on the implementation of DMV hearing fees, effective January 1, 2018.

2 HUT Lease Proceeds
Fund Code: N/A

Transfers recurring funds of $10,000,000 from short-term vehicle lease proceeds to the Highway Fund for capital improvements at commercial airports.

Administration- DOH

3 Matching Grant Funds **Fund Code:** 7070 Provides funding to planning organizations for a portion of the 20% federal matching requirement for State Planning and Research funds. The revised net appropriation for the Transportation Planning Branch is $750,000 in each year of the biennium.	$750,000	R	$750,000	R

Administration- DOT

4 Financial- Toll Revenue Accountant Position
Fund Code: 7020

Establishes a Highway Trust Fund-supported Accountant position (salary: $59,342), effective July 1, 2018, to support additional requirements associated with the opening of the I-77 managed lane and Monroe Connector projects. Receipts total $80,500 in FY 2018-19.

	FY 17-18		FY 18-19	
5 IT- Credit Card Replacement **Fund Code:** 7025 Provides funding for the purchase of 1,700 credit card readers to be used by DMV and License Plate Agency offices. The revised net appropriation for Information Technology is $53,890,858 in FY 2017-18 and $51,844,902 in FY 2018-19.	$2,070,914	NR		
Capital				
6 Asset Management Long Range Facility Planning **Fund Code:** 7826 Provides funding for long range site planning across the State at larger Department of Transportation (DOT) facilities. The revised net appropriation for capital expenditures is $9,616,700 in FY 2017-18 and $8,600,000 in FY 2018-19.	$250,000	NR	$250,000	NR
7 Capital Projects **Fund Code:** 7826 Provides funds for additional capital projects. The revised net appropriation for capital expenditures is $9,616,700 in FY 2017-18 and $8,600,000 in FY 2018-19.	$3,000,000	NR	$3,000,000	NR
8 QMS Lab/Resident Engineer's office **Fund Code:** 7826 Provides funding for a 5,500 square foot Quality Management System lab and Resident Engineer's office in Guilford County. The revised net appropriation for capital expenditures is $9,616,700 in FY 2017-18 and $8,600,000 in FY 2018-19.	$1,254,000	NR		
9 Repairs and Renovations **Fund Code:** 7826 Provides funding for repairs and renovations. The revised net appropriation for capital expenditures is $9,616,700 in FY 2017-18 and $8,600,000 in FY 2018-19.	$5,112,700	NR	$5,350,000	NR

Senate Appropriations Committee on Department of Transportation	FY 17-18		FY 18-19	
Construction				
10 Eliminate Construction Fund Codes **Fund Code:** 7814, 7837, 7838 Eliminates funding to the Access and Service Roads account (Fund Code 7814), the Small Urban Construction account (Fund Code 7837) and the Economic Development account (Fund Code 7838) and transfers funding to the new Mobility/Modernization Program. The revised net appropriation to each of the three accounts is $0 in each year of the biennium.	($8,259,878)	R	($8,259,878)	R
11 Mobility/Modernization Fund **Fund Code:** N/A Establishes a new fund for immediate need construction projects. 60% of the funds will be divided equally among the 14 Division Engineers for high impact construction projects, such as intersection and operational improvements. 25% of the funds will be used for safety and mobility projects that reduce congestion. 15% of the funds are provided to the Secretary of Transportation for economic development projects. The revised net appropriation for Mobility/Modernization is $40,000,000 in each year of the biennium.	$40,000,000	NR	$40,000,000	NR
Department Wide				
12 Vacant Positions **Fund Code:** N/A Eliminates 400 receipt-supported positions throughout DOT. Receipts total $14,000,000 in each year of the biennium.				
Division of Motor Vehicles (DMV)				
13 Hearings Unit **Fund Code:** 7056 Adjusts funding based on the revised implementation date of January 1, 2018 for DMV hearing fees. The revised net appropriation for the DMV Hearings Unit is $2,950,000 in FY 2017-18 and $500,000 in FY 2018-19.	$2,950,000	NR	$500,000	NR
14 License Plate Agency Compensation **Fund Code:** 7055 Realigns funding for Branch Agent Compensation based on historical actuals. The revised net appropriation for Branch Agent Compensation is $12,974,738 in each year of the biennium.	$4,210,000	NR	$4,210,000	NR

	FY 17-18		FY 18-19	
15 Medical Review Program **Fund Code:** 7056 Converts 5 temporary Nurse Consultant positions and 1 Administrative Assistant IV position to permanent positions. Eliminates funding for 5 temporary Nurse Consultant positions and provides funding for 1 additional temporary Administrative Assistant IV position, expiring on June 30, 2018. The revised net appropriation for DMV Processing Services is $12,272,206 in FY 2017-18 and $9,540,885 in FY 2018-19.	($519,623) 6.00	R	($800,944) 6.00	R
16 Online and Enhanced Services **Fund Code:** 7050 Provides funding for a multi-channel public outreach campaign to promote DMV online and enhanced services. The revised net appropriation for advertising/marketing is $560,554 in each year of the biennium.	$500,000	NR	$500,000	NR
Intermodal				
17 Aviation- Commercial Airports **Fund Code:** 7830 Increases funding for capital improvements at commercial airports. The revised net appropriation for the Airports Program is $92,217,417 in FY 2017-18 and $101,917,417 in FY 2018-19.	$10,000,000 $30,000,000	R NR	$50,000,000	R
18 Aviation Fuel Tax- Statutory Adjustment **Fund Code:** 7830 Increases revenue to reflect the revised revenue estimate of the Aviation Fuel Tax for the Aviation Division per G.S. 105-164.44M. The revised net appropriation for the Airports Program is $92,217,417 in FY 2017-18 and $101,917,417 in FY 2018-19.	$5,700,000	R	$5,400,000	R
19 Public Transportation- Regional Consolidation and Regional Coordination **Fund Code:** 7831 Establishes a new Regional Consolidation and Regional Coordination Program to encourage regional consolidation and regional coordination of public transit systems. The revised net appropriation for Public Transportation is $92,093,069 in each year of the biennium.	$250,000	NR	$250,000	NR

	FY 17-18		FY 18-19	
20 Rail- Equipment Overhaul	$1,200,000	R	$1,200,000	R
Fund Code: N/A	$3,443,000	NR	$3,634,000	NR
Establishes a new Rail Equipment Overhaul Fund for the overhaul and improvement of rail equipment. The revised net appropriation for the Rail Equipment Overhaul Program is $4,643,000 in FY 2017-18 and $4,834,000 in FY 2018-19.				
21 Rail- Federal Match	$1,597,200	R	$1,597,200	R
Fund Code: 7829				
Provides funding for matching federal Congestion Mitigation and Air Quality grants. The revised net appropriation for the Rail Program is $38,395,005 in each year of the biennium.				
Maintenance				
22 Bridge Preservation	$80,000,000	R	$90,000,000	R
Fund Code: N/A				
Establishes a new Bridge Preservation Fund to employ cost effective solutions to maximize bridge life and lower lifetime cost. The revised net appropriation for the Bridge Preservation Program is $80,000,000 in FY 2017-18 and $90,000,000 in FY 2018-19.				
23 Bridge Program	$38,000,000	R	$38,000,000	R
Fund Code: 7839				
Provides $30,000,000 to replace deficient bridges costing more than $20,000,000 and provides $8,000,000 to meet the 2015 directive to reduce the total number of structurally deficient bridges to 10% of the bridge inventory by 2030. The revised net appropriation for the Bridge Program is $281,158,738 in each year of the biennium.				
24 Bridge Program- Statutory Adjustment	$580,000	R	$580,000	R
Fund Code: 7839				
Adjusts funding for the Bridge Program based on the revised revenue forecast. This program receives the balance of funds generated from the Gasoline Inspection Fee after deducting expenses for the Department of Revenue for collecting the tax and expenses for the Department of Agriculture and Consumer Services for fuel inspection. The revised net appropriation for the Bridge Program is $281,158,738 in each year of the biennium.				

Senate Appropriations Committee on Department of Transportation	FY 17-18		FY 18-19	
25 Contract Resurfacing **Fund Code:** 7824 Decreases funding for contract resurfacing activities. The revised net appropriation for Contract Resurfacing is $320,930,736 in FY 2017-18 and $342,508,732 in FY 2018-19.	($10,000,000)	NR		
26 General Maintenance Reserve (GMR) **Fund Code:** 0934 Transfers funding for bridge preservation and the Roadside Environmental Unit and increases GMR funds by $54,363,825 in FY 2017-18 and $75,551,821 in FY 2018-19 to address critical maintenance needs. The revised net appropriation for the General Maintenance Reserve is $320,729,736 in FY 2017-18 and $341,917,732 in FY 2018-19.	($142,636,175)	R	($121,448,179)	R
27 Pavement Preservation **Fund Code:** 7841 Increases funding for pavement preservation activities and authorizes the use of the funds for pavement markings and markers. The revised net appropriation for the Pavement Preservation Program is $115,161,756 in FY 2017-18 and $125,161,756 in FY 2018-19.	$30,000,000	R	$40,000,000	R
28 Roadside Environmental **Fund Code:** N/A Establishes a new Roadside Environmental Fund dedicated to funding for vegetation management, mowing, litter prevention and removal, beautification efforts, rest areas, and guardrail replacements. The revised net appropriation for the Roadside Environmental Program is $104,000,000 in each year of the biennium.	$104,000,000	R	$104,000,000	R
Reserves				
29 Compensation Increase Reserve **Fund Code:** 0873 Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$7,293,491	R	$7,293,491	R

	FY 17-18		FY 18-19	
30 State Health Plan Reserve **Fund Code:** 0885 Provides additional funding to continue health benefit coverage for enrolled active employees supported in each year of the biennium. The revised net appropriation for enrolled active employees is $37.0 million in FY 2017-18 and $38.5 million in FY 2018-19.	$1,325,625	R	$2,809,063	R
31 State Retirement Contribution **Fund Code:** 0871 Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums in each year of the biennium. The revised net appropriation for TSERS is $50.3 million in FY 2017-18 and $54.4 million in FY 2018-19.	$996,928	R	$5,045,061	R
Transfers				
32 Data Analytics **Fund Code:** 7020 Provides funding to continue and enhance DOT's existing contract for transportation analytics services. Funds shall be used to continue the development and optimization of cash flow models, to improve data management, and to support additional analytics services in order to improve the efficiency and operations of DOT. The revised net appropriation for data analytics is $3,800,000 in each year of the biennium.	$3,800,000	R	$3,800,000	R
33 Fire Protection Grant Funds **Fund Code:** 0878 Continues the funding for fire protection of DOT buildings across the State. These funds go out to local fire districts for fire protection of State government buildings. This continues the transfer of $158,000 from DOT to the Office of the State Fire Marshal. The revised net appropriation for the Fire Protection Program is $158,000 in each year of the biennium.	$158,000	R	$158,000	R
34 Global TransPark **Fund Code:** 0869 Provides funding for the development of a strategic plan, contracted marketing services, and operating support. The revised net appropriation for the Global TransPark is $1,150,000 in each year of the biennium.	$400,000	NR	$400,000	NR

Senate Appropriations Committee on Department of Transportation	FY 17-18		FY 18-19	
35 State Ports Authority **Fund Code:** 1288 Eliminates the Highway Fund appropriation to the North Carolina State Ports Authority and Fund Code 1288 and transfers remaining funds in the Highway Fund to the new Ports Authority Fund established in the Highway Trust Fund.	($35,000,000)	R	($35,000,000)	R
Transportation Planning Branch				
36 Corridor Development Unit **Fund Code:** 7685 Establishes a new Corridor Development Unit in the Division of Planning and Programming to assist small Metropolitan Planning Organizations (MPO) and Rural Transportation Planning Organizations (RPO) in defining projects included in long-range planning documents. This unit will be staffed by 6 Engineers/Planners ($64,273 salary/$98,903 with benefits) and one Engineering Supervisor ($90,912 salary/ $137,550 with benefits) located in Raleigh. The total cost of the 7 new receipt-supported positions is $730,968. The revised net appropriation for the Transportation Planning Branch is $0 in each year of the biennium.				
37 Corridor Development Unit **Fund Code:** 7685 Directs DOT to convert 14 vacant receipt-supported positions to 14 Engineers/Planners, with a salary commensurate to the Division Planning Engineers. These positions, to be located in each Highway Division, will serve as the main DOT contact for small MPOs and RPOs for planning purposes. The revised net appropriation for the Transportation Planning Branch is $0 in each year of the biennium.				
Total Legislative Changes	**$98,985,568**	R	**$185,123,814**	R
	$83,440,614	NR	**$58,094,000**	NR
Total Position Changes	6.00		6.00	
Revised Budget	**$2,191,246,441**		**$2,252,063,031**	

Department of Transportation
Budget Code 84290

Highway Trust Fund Budget				
		FY 2017-18		FY 2018-19
Base Budget				
Requirements	$	1,371,280,000	$	1,371,280,000
Receipts	$	-	$	-
Net Appropriation	$	1,371,280,000	$	1,371,280,000
Legislative Changes				
Requirements	$	176,334,829	$	215,040,316
Receipts	$	-	$	-
Net Appropriation	$	176,334,829	$	215,040,316
Revised Budget				
Requirements	$	1,547,614,829	$	1,586,320,316
Receipts	$	-	$	-
Net Appropriation	$	1,547,614,829	$	1,586,320,316

Highway Trust Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of Highway Trust Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Transportation		Base Budget			Legislative Changes			Revised Budget		
Budget Code 84290										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
6002	Program Administration	35,156,560	-	35,156,560	-	-	-	35,156,560	-	35,156,560
6005	Bond Redemption	51,785,964	-	51,785,964	(8,851,361)		(8,851,361)	42,934,603	-	42,934,603
6006	Bond Interest	9,226,265	-	9,226,265	-	-	-	9,226,265	-	9,226,265
6008	Turnpike Authority	49,000,000	-	49,000,000	-	-	-	49,000,000	-	49,000,000
6012	Transfer to Visitor Center	400,000	-	400,000	-	-	-	400,000	-	400,000
9071	FHWA State Match - Highway Trust Fund	4,640,000	-	4,640,000	-	-	-	4,640,000	-	4,640,000
	North Carolina State Ports Authority	-	-	-	45,000,000	-	45,000,000	45,000,000	-	45,000,000
9075	Strategic Prioritization	1,221,071,211	-	1,221,071,211	140,186,190	-	140,186,190	1,361,257,401	-	1,361,257,401
Total		**$ 1,371,280,000**		**$ 1,371,280,000**	**$ 176,334,829**	**$ -**	**$ 176,334,829**	**$ 1,547,614,829**	**$ -**	**$ 1,547,614,829**

Summary of Highway Trust Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Transportation										
Budget Code 84290		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
6002	Program Administration	35,156,560	-	35,156,560	-	-	-	35,156,560	-	35,156,560
6005	Bond Redemption	51,785,964	-	51,785,964	(10,975,777)		(10,975,777)	40,810,187	-	40,810,187
6006	Bond Interest	9,226,265	-	9,226,265	-	-	-	9,226,265	-	9,226,265
6008	Turnpike Authority	49,000,000	-	49,000,000	-	-	-	49,000,000	-	49,000,000
6012	Transfer to Visitor Center	400,000	-	400,000	-	-	-	400,000	-	400,000
9071	FHWA State Match - Highway Trust Fund	4,640,000	-	4,640,000	-	-	-	4,640,000	-	4,640,000
	North Carolina State Ports Authority	-	-	-	45,000,000	-	45,000,000	45,000,000	-	45,000,000
9075	Strategic Prioritization	1,221,071,211		1,221,071,211	181,016,093	-	181,016,093	1,402,087,304	-	1,402,087,304
Total		$ 1,371,280,000		$ 1,371,280,000	$ 215,040,316	$ -	$ 215,040,316	$ 1,586,320,316	$ -	$ 1,586,320,316

Highway Trust Fund

	HIGHWAY TRUST FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$1,371,280,000**		**$1,371,280,000**	
Legislative Changes				
Construction				
38 Strategic Transportation Investments **Fund Code:** 9075 Modifies funding to the Strategic Transportation Investments (STI) Program. The revised net appropriation for STI is $1,356,617,401 in FY 2017-18 and $1,397,447,304 in FY 2018-19.	$140,186,190	R	$181,016,093	R
Debt Service				
39 Adjustment for Debt Service Payment **Fund Code:** 6005 Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule. The revised net appropriation for debt redemption is $42,934,603 in FY 2017-18 and $40,810,187 in FY 2018-19.	($8,851,361)	R	($10,975,777)	R
Transfers				
40 State Ports Authority **Fund Code:** N/A	$45,000,000	R	$45,000,000	R
Total Legislative Changes	**$176,334,829**	R	**$215,040,316**	R
Total Position Changes				
Revised Budget	**$1,547,614,829**		**$1,586,320,316**	

Turnpike Authority

Budget Code: 64208

	FY 2017-18		FY 2018-19	
Beginning Unreserved Fund Balance	**$0**			
Recommended Budget				
Requirements	**$107,913,848**		**$107,913,848**	
Receipts	**$107,913,848**		**$107,913,848**	
Positions	**13.00**		**13.00**	
Legislative Changes				
Requirements:				
Adjustment to Debt Service Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule.	$3,452,000 0.00	R NR	$7,375,000 0.00	R NR
Subtotal Legislative Changes	**$3,452,000** 0.00	R NR	**$7,375,000** 0.00	R NR
Receipts:				
Debt Service Adjustment Adjusts the amount budgeted for debt service payments to accurately reflect the principal and interest due based on the current repayment schedule.	$3,452,000 $0	R NR	$7,375,000 $0	R NR
Subtotal Legislative Changes	**$3,452,000** **$0**	R NR	**$7,375,000** **$0**	R NR

	FY 2017-18	FY 2018-19
Revised Total Requirements		
Revised Total Receipts	$111,365,848	$115,288,848
Change in Fund Balance		
Total Positions	13.00	13.00
Unappropriated Balance Remaining		

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Reserves, Debt Service, and Other Adjustments Section L

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Statewide Reserves
Multiple Budget Codes

General Fund Budget		
	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$728,872,213	$728,872,213
Receipts	$18,653,595	$18,653,595
Net Appropriation	$710,218,618	$710,218,618
Legislative Changes		
Requirements	$269,900,855	$280,805,096
Receipts	$0	$0
Net Appropriation	$269,900,855	$280,805,096
Revised Budget		
Requirements	$998,773,068	$1,009,677,309
Receipts	$18,653,595	$18,653,595
Net Appropriation	$980,119,473	$991,023,714

General Fund FTE		
Base Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Statewide Reserves Budget Code Multiple		Base Budget			Legislative Changes			Revised Budget		
Budget Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
19420	General Debt Service	721,755,833	18,653,595	703,102,238	24,064,101	-	24,064,101	745,819,934	18,653,595	727,166,339
19425	Federal Reimbursement - Debt Service	1,616,380	-	1,616,380	-	-	-	1,616,380	-	1,616,380
19001	Contingency and Emergency Reserve	5,000,000	-	5,000,000	-	-	-	5,000,000	-	5,000,000
19068	GF- Pending Legislation	500,000	-	500,000	-	-	-	500,000	-	500,000
Undesignated Items										
N/A	UNC System Growth Reserve	-	-	-	46,571,112	-	46,571,112	46,571,112	-	46,571,112
N/A	Film and Entertainment Grant Fund Reserve	-	-	-	15,000,000	-	15,000,000	15,000,000	-	15,000,000
N/A	NC Promise Tuition Plan Reserve	-	-	-	-	-	-	-	-	-
N/A	Public Schools ADM Reserve	-	-	-	-	-	-	-	-	-
N/A	Reserve for State Match for Disaster Recovery	-	-	-	80,000,000	-	80,000,000	80,000,000	-	80,000,000
N/A	Supplementary Funding for Disaster Recovery Act	-	-	-	70,000,000	-	70,000,000	70,000,000	-	70,000,000
N/A	Enterprise Resource Planning Project	-			3,000,000	-	3,000,000	3,000,000	-	3,000,000
N/A	Classification and Compensation System	-	-	-	3,900,000	-	3,900,000	3,900,000	-	3,900,000
N/A	Pay Plan Reserve	-	-	-	20,365,642	-	20,365,642	20,365,642	-	20,365,642
N/A	Workers' Compensation Settlement Reserve	-	-	-	2,000,000	-	2,000,000	2,000,000	-	2,000,000
N/A	Salary Adjustment Fund	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
							-			
Total		**$728,872,213**	**$18,653,595**	**$710,218,618**	**$269,900,855**	**$0**	**$269,900,855**	**$998,773,068**	**$18,653,595**	**$980,119,473**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Statewide Reserves Budget Code Multiple		Base Budget			Legislative Changes			Revised Budget		
Budget Code	Budget Code Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
19420	General Debt Service	721,755,833	18,653,595	703,102,238	67,356,498	-	67,356,498	789,112,331	18,653,595	770,458,736
19425	Federal Reimbursement - Debt Service	1,616,380	-	1,616,380	-	-	-	1,616,380	-	1,616,380
19001	Contingency and Emergency Reserve	5,000,000	-	5,000,000	-	-	-	5,000,000	-	5,000,000
19068	GF- Pending Legislation	500,000	-	500,000	-	-	-	500,000	-	500,000
Undesignated Items										
N/A	UNC System Growth Reserve	-	-	-	94,734,518	-	94,734,518	94,734,518	-	94,734,518
N/A	Film and Entertainment Grant Fund Reserve	-	-	-	15,000,000	-	15,000,000	15,000,000	-	15,000,000
N/A	NC Promise Tuition Plan Reserve	-	-	-	11,000,000	-	11,000,000	11,000,000	-	11,000,000
N/A	Public Schools ADM Reserve	-	-	-	48,410,289	-	48,410,289	48,410,289	-	48,410,289
N/A	Reserve for State Match for Disaster Recovery	-	-	-		-	-	-	-	-
N/A	Supplementary Funding for Disaster Recovery Act	-	-	-		-	-	-	-	-
N/A	Enterprise Resource Planning Project	-		-	10,000,000		10,000,000	10,000,000	-	10,000,000
N/A	Classification and Compensation System	-	-	-	7,800,000	-	7,800,000	7,800,000	-	7,800,000
N/A	Pay Plan Reserve	-	-	-	21,503,791	-	21,503,791	21,503,791	-	21,503,791
N/A	Workers' Compensation Settlement Reserve	-	-	-	-	-	-	-	-	-
N/A	Salary Adjustment Fund	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
							-			
Total		$728,872,213	$18,653,595	$710,218,618	$280,805,096	$0	$280,805,096	$1,009,677,309	$18,653,595	$991,023,714

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Statewide Reserves					
Budget Code Multiple		Base	Legislative Changes		Revised
Budget Code	Budget Code Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
19420	General Debt Service	-	-	-	-
19425	Federal Reimbursement - Debt Service	-	-	-	-
19001	Contingency and Emergency Reserve	-	-	-	-
19068	GF- Pending Legislation	-	-	-	-
N/A	UNC System Growth Reserve	-	-	-	-
N/A	Film and Entertainment Grant Fund Reserve	-	-	-	-
N/A	NC Promise Tuition Plan Reserve	-	-	-	-
N/A	Public Schools ADM Reserve	-	-	-	-
N/A	Reserve for State Match for Disaster Recovery	-	-	-	-
N/A	Supplementary Funding for Disaster Recovery Act	-	-	-	-
N/A	Classification and Compensation System	-	-	-	-
N/A	Pay Plan Reserve	-	-	-	-
N/A	Workers' Compensation Settlement Reserve	-	-	-	-
N/A	Salary Adjustment Fund	-	-	-	-
					-
					-
					-
Total FTE		-	-	-	-

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Statewide Reserves					
Budget Code Multiple		**Base**	**Legislative Changes**		**Revised**
Budget Code	**Budget Code Name**	**Total Requirements**	**Net Appropriation**	**Receipts**	**Total Requirements**
19420	General Debt Service	-	-	-	-
19425	Federal Reimbursement - Debt Service	-	-	-	-
19001	Contingency and Emergency Reserve	-	-	-	-
19068	GF- Pending Legislation	-	-	-	-
N/A	UNC System Growth Reserve	-	-	-	-
N/A	Film and Entertainment Grant Fund Reserve	-	-	-	-
N/A	NC Promise Tuition Plan Reserve	-	-	-	-
N/A	Public Schools ADM Reserve	-	-	-	-
N/A	Reserve for State Match for Disaster Recovery	-	-	-	-
N/A	Supplementary Funding for Disaster Recovery Act	-	-	-	-
N/A	Classification and Compensation System	-	-	-	-
N/A	Pay Plan Reserve	-	-	-	-
N/A	Workers' Compensation Settlement Reserve	-	-	-	-
N/A	Salary Adjustment Fund	-	-	-	-
					-
					-
Total FTE		-	-	-	-

Statewide Reserves

	GENERAL FUND			
	FY 17-18		FY 18-19	
Recommended Base Budget	**$710,218,618**		**$710,218,618**	
Legislative Changes				
A. Salaries and Benefits				
1 Classification and Compensation System **Budget Code:** N/A Provides funding to be used to implement the new Classification and Compensation system for State employees. These funds are to increase salaries for any net appropriation supported salary to the minimum of their salary range under the new System.	$3,900,000	R	$7,800,000	R
2 Pay Plan Reserve **Budget Code:** N/A Creates a new Reserve to fill any shortfall in salary and benefits appropriations for positions compensated pursuant to an eligible pay plan. The revised net appropriation to the Reserve in FY 2017-18 is $20.4 million and $21.5 million in FY 2018-19.	$20,365,642	NR	$21,503,791	NR
3 Workers' Compensation Settlement Reserve **Budget Code:** N/A Provides nonrecurring funding to the Office of State Human Resources to close existing workers' compensation claims.	$2,000,000	NR		
4 Salary Adjustment Fund **Budget Code:** N/A Provides $5 million in recurring funds to provide additional compensation to positions that are difficult to recruit or retain. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$5,000,000	R	$5,000,000	R

	FY 17-18		FY 18-19	
B. Debt Service				
5 Debt Service Adjustment **Budget Code:** 19420 Increases the General Fund debt service funding to pay increased costs anticipated for the Connect NC Bond. The revised net appropriation for debt service in FY 2017-18 is $727,166,339. The revised net appropriation for debt service in FY 2018-19 is $770,458,736.	$24,064,101	R	$67,356,498	R
C. Other Reserves				
6 Film and Entertainment Grant Fund **Budget Code:** N/A Provides a reserve for the Film and Entertainment Grant Fund established in G.S. 143B-437.02A, to encourage the production of motion pictures, television shows, and commercials and to develop the filmmaking industry within the State. Available expenditures for this program in FY 2017-18 are projected to be $30.0 million, which includes $15.0 million in net appropriations and a projected unencumbered fund balance of $15.0 million.	$15,000,000	R	$15,000,000	R
7 NC Promise Tuition Plan **Budget Code:** N/A Establishes a Reserve for NC Promise, which sets tuition at $500 per semester for North Carolina residents at three UNC institutions (G.S. 116-143.11). This reserve will be used to support increased enrollment at each institution. After this reserve is distributed in FY 2018-19, the revised net appropriation for NC Promise would be $51 million.			$11,000,000	R
8 University of North Carolina System Growth Reserve **Budget Code:** N/A Provides funds for enrollment increases for the University of North Carolina system to be held in a reserve under the control of the Office of State Budget and Management, and to be distributed to the campuses upon verification of actual enrollment changes.	$46,571,112	R	$94,734,518	R
9 Public Schools Average Daily Membership (ADM) **Budget Code:** N/A Provides additional funds for projected increases in allotted ADM in FY 2018-19. There is projected to be an additional 8,239 students in FY 2018-19 as compared to FY 2017-18. Total allotted ADM for FY 2018-19 is 1,560,877. Funding for increased ADM in FY 2017-18 is provided in the Department of Public Instruction budget in the Education section of the Committee Report.			$48,410,289	R

Senate Committee on Appropriations/Base Budget	FY 17-18		FY 18-19	
10 Additional Funding to Supplement Disaster Recovery Act **Budget Code:** N/A Appropriates funds for emergencies and disasters to the State Emergency Response and Disaster Relief Fund as specified in G.S. 166A-19.42. These funds are to be used to address unmet needs related to the disasters covered by the Disaster Recovery Act of 2016 (S.L. 2016-124), as directed by the General Assembly. Overall State funding for disaster recovery as a result of this appropriations act is increased from $200,928,370 to $350,928,370.	$70,000,000	NR		
11 State Match for Disaster Recovery **Budget Code:** N/A Appropriates funds for emergencies and disasters to the State Emergency Response and Disaster Relief Fund as specified in G.S. 166A-19.42. These funds are to be used to provide the State match for federal disaster assistance programs to supplement the $66,228,370 in State match under the Disaster Recover Act of 2016, S.L. 2016-124. Overall State funding for disaster recovery as a result of this appropriations act is increased from $200,928,370 to $350,928,370.	$80,000,000	NR		
12 Enterprise Resource Planning **Budget Code:** N/A Provides funds for the creation of an Enterprise Resource Planning (ERP) system. The revised net appropriation for the ERP system is $13 million for the biennium.	$3,000,000	NR	$10,000,000	
Total Legislative Changes	**$94,535,213**	**R**	**$249,301,305**	**R**
	$175,365,642	**NR**	**$31,503,791**	**NR**
Total Position Changes				
Revised Budget	**$980,119,473**		**$991,023,714**	

Capital
Section M

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Capital Fund Budget
Budget Code 19600

General Fund Budget		
	FY 2017-18	FY 2018-19
Enacted Budget		
Requirements	$0	$0
Receipts	$0	$0
Net Appropriation	$0	$0
Legislative Changes		
Requirements	$45,651,000	$0
Receipts	$24,753,000	$0
Net Appropriation	$20,898,000	$0
Revised Budget		
Requirements	$45,651,000	$0
Receipts	$24,753,000	$0
Net Appropriation	$20,898,000	$0

General Fund FTE		
Enacted Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Capital Fund Budget Budget Code 19600		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
	Department of Environmental Quality		-	-	-	-	-	-	-	-
	Water Resources Development Projects	-	-	-	40,401,000	24,753,000	15,648,000	40,401,000	24,753,000	15,648,000
	Department of Military and Veterans Affairs		-	-	-	-	-	-	-	-
	Veterans Memorial		-	-	250,000	-	250,000	250,000	-	250,000
	Department of Natural and Cultural Resources		-	-	-	-	-	-	-	-
	Zoo Infrastructure Improvements		-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
			-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-
		-	-	-			-	-	-	-
Undesignated Items		-	-	-			-	-	-	-
		-	-	-			-	-	-	-
							-			
Total		$0	$0	$0	$45,651,000	$24,753,000	$20,898,000	$45,651,000	$24,753,000	$20,898,000

Capital

	GENERAL FUND	
	FY 17-18	FY 18-19
Recommended Base Budget	**$0**	**$0**

Department of Environmental Quality

1 Water Resources Development Projects

Fund Code: 19600 $15,648,000 **NR**

Provides the State's share of Water Resources Development Projects. State funds will match $14.1 million in federal funds and $8.4 million in local funds. The Department will also utilize $1.1 million in carry-forward funds. The revised net appropriation for Water Resources Development Projects is $15.6 million.

Department of Military and Veterans Affairs

2 Veterans Memorial

Fund Code: 19600 $250,000 **NR**

Provides $250,000 to the Department of Military and Veterans Affairs for the construction of public facilities at the North Carolina Veterans Memorial Pavilion in Broadway, North Carolina. The revised net appropriation for this construction is $250,000.

Department of Natural and Cultural Resources

3 Zoo Infrastructure Improvements

Fund Code: 19600 $5,000,000 **NR**

Provides $5 million to the North Carolina Zoological Park for infrastructure improvements to connect the new exhibit. The revised net appropriation for zoo infrastructure is $5 million.

Senate Committee on Appropriations/Base Budget	FY 17-18	FY 18-19
Total Appropriation to Capital	$20,898,000 NR	
Revised Budget	$20,898,000	$0

Receipt Supported Capital Improvements
Budget Code N/A

General Fund Budget		
	FY 2017-18	FY 2018-19
Enacted Budget		
Requirements	$0	$0
Receipts	$0	$0
Net Appropriation	$0	$0
Legislative Changes		
Requirements	$18,315,300	$5,200,000
Receipts	$18,315,300	$5,200,000
Net Appropriation	$0	$0
Revised Budget		
Requirements	$18,315,300	$5,200,000
Receipts	$18,315,300	$5,200,000
Net Appropriation	$0	$0

General Fund FTE		
Enacted Budget	0.00	0.00
Legislative Changes	0.00	0.00
Revised Budget	0.00	0.00

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Receipt Supported Capital Improvements Budget Code N/A	Enacted Budget			Legislative Changes			Revised Budget		
Fund Code Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Department of Natural and Cultural Resources		-	-	-	-	-	-	-	-
Museum of Art	-	-	-	915,300	915,300	-	915,300	915,300	-
Wildlife Resources Commission		-	-	-	-	-	-	-	-
Land Acquisition		-	-	7,000,000	7,000,000	-	7,000,000	7,000,000	-
Infrastructure Repair/Renovation		-	-	1,500,000	1,500,000	-	1,500,000	1,500,000	-
Setzer Hatchery Building Replacement		-	-	750,000	750,000	-	750,000	750,000	-
Boating Access		-	-	900,000	900,000	-	900,000	900,000	-
Setzer Hatchery Raceways Replacement		-	-	4,500,000	4,500,000	-	4,500,000	4,500,000	-
Burnsville Depot		-	-	500,000	500,000	-	500,000	500,000	-
Butner Lab & Storage Building		-	-	500,000	500,000	-	500,000	500,000	-
Bolivia Depot		-	-	750,000	750,000	-	750,000	750,000	-
New Shooting Ranges		-	-	1,000,000	1,000,000	-	1,000,000	1,000,000	-
	-	-	-			-	-	-	-
Undesignated Items	-	-	-			-	-	-	-
	-	-	-			-	-	-	-
						-			
Total	$0	$0	$0	$18,315,300	$18,315,300	$0	$18,315,300	$18,315,300	$0

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Receipt Supported Capital Improvements									
Budget Code N/A	Enacted Budget			Legislative Changes			Revised Budget		
Fund Code Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Wildlife Resources Commission		-	-	-	-	-	-	-	-
Land Acquisition		-	-	3,000,000	3,000,000	-	3,000,000	3,000,000	-
Boating Access		-	-	900,000	900,000	-	900,000	900,000	-
Outer Banks Education Center Air Handlers		-	-	300,000	300,000	-	300,000	300,000	-
New Shooting Ranges		-	-	1,000,000	1,000,000	-	1,000,000	1,000,000	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
	-	-	-			-	-	-	-
Undesignated Items	-	-	-			-	-	-	-
	-	-	-			-	-	-	-
						-			
Total	$0	$0	$0	$5,200,000	$5,200,000	$0	$5,200,000	$5,200,000	$0

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Information Technology Section N

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Department of Information Technology
Budget Code 14660

General Fund Budget	FY 2017-18	FY 2018-19
Base Budget		
Requirements	$51,279,650	$51,279,650
Receipts	$0	$0
Net Appropriation	$51,279,650	$51,279,650
Legislative Changes		
Requirements	$235,930	$382,194
Receipts	$0	$0
Net Appropriation	$235,930	$382,194
Revised Budget		
Requirements	$51,515,580	$51,661,844
Receipts	$0	$0
Net Appropriation	$51,515,580	$51,661,844

General Fund FTE		
Base Budget	99.75	99.75
Legislative Changes	(5.50)	(5.50)
Revised Budget	94.25	94.25

Summary of General Fund Appropriations
Fiscal Year 2017-18
2017 Legislative Session

Department of Information Technology Budget Code 14660		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1245	Health Information Exchange Network	8,016,651	-	8,016,651	(166,659)	-	(166,659)	7,849,992	-	7,849,992
1705	Criminal Justice Information Network	191,268	-	191,268	-	-	-	191,268	-	191,268
1715	Center for Geographic Information and Analysis	502,348	-	502,348	-	-	-	502,348	-	502,348
1720	Enterprise Security and Risk Management Office	1,013,619	-	1,013,619	(299,201)	-	(299,201)	714,418	-	714,418
1725	Staffing and Strategic Projects	7,831,272	-	7,831,272	68,595	-	68,595	7,899,867	-	7,899,867
1735	First Net	136,935	-	136,935	50,000	-	50,000	186,935	-	186,935
1740	Enterprise Project Management Office	1,497,734	-	1,497,734	250,000	-	250,000	1,747,734	-	1,747,734
1750	IT Strategy and Standards	873,044	-	873,044	-	-	-	873,044	-	873,044
1760	State Portal	391,759	-	391,759	-	-	-	391,759	-	391,759
1775	Process Management	392,451	-	392,451	-	-	-	392,451	-	392,451
1795	Government Data Analytics Center	9,718,836	-	9,718,836	2,097,265	-	2,097,265	11,816,101	-	11,816,101
1990	IT Fund Reserves and Transfers	20,713,733	-	20,713,733	(2,000,000)	-	(2,000,000)	18,713,733	-	18,713,733
		-	-	-			-	-	-	-
Undesignated Items		-	-	-			-	-	-	-
N/A	Compensation Reserve	-	-	-	181,084		181,084	181,084	-	181,084
N/A	State Retirement Contributions				33,688		33,688	33,688		33,688
N/A	State Health Plan				21,158		21,158	21,158		21,158
Total		**$51,279,650**	**$0**	**$51,279,650**	**$235,930**	**$0**	**$235,930**	**$51,515,580**	**$0**	**$51,515,580**

Summary of General Fund Appropriations
Fiscal Year 2018-19
2017 Legislative Session

Department of Information Technology Budget Code 14660		Base Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1245	Health Information Exchange Network	8,016,651	-	8,016,651	(166,659)	-	(166,659)	7,849,992	-	7,849,992
1705	Criminal Justice Information Network	191,268	-	191,268	-	-	-	191,268	-	191,268
1715	Center for Geographic Information and Analysis	502,348	-	502,348	-	-	-	502,348	-	502,348
1720	Enterprise Security and Risk Management Office	1,013,619	-	1,013,619	(299,201)	-	(299,201)	714,418	-	714,418
1725	Staffing and Strategic Projects	7,831,272	-	7,831,272	68,595	-	68,595	7,899,867	-	7,899,867
1735	First Net	136,935	-	136,935	300,000	-	300,000	436,935	-	436,935
1740	Enterprise Project Management Office	1,497,734	-	1,497,734	241,941	-	241,941	1,739,675	-	1,739,675
1750	IT Strategy and Standards	873,044	-	873,044	-	-	-	873,044	-	873,044
1760	State Portal	391,759	-	391,759	-	-	-	391,759	-	391,759
1775	Process Management	392,451	-	392,451	-	-	-	392,451	-	392,451
1795	Government Data Analytics Center	9,718,836	-	9,718,836	1,855,324	-	1,855,324	11,574,160	-	11,574,160
1990	IT Fund Reserves and Transfers	20,713,733	-	20,713,733	(2,000,000)	-	(2,000,000)	18,713,733	-	18,713,733
		-	-	-			-	-	-	-
Undesignated Items		-	-	-			-	-	-	-
N/A	Compensation Reserve	-	-	-	181,084		181,084	181,084	-	181,084
N/A	State Retirement Contributions				156,276		156,276	156,276		156,276
N/A	State Health Plan				44,834		44,834	44,834		44,834
Total		$51,279,650	$0	$51,279,650	$382,194	$0	$382,194	$51,661,844	$0	$51,661,844

Summary of General Fund Total Requirements FTE
Fiscal Year 2017-18
2017 Legislative Session

Department of Information Technology					
Budget Code 14660		Base	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1245	Health Information Exchange Network	8.00	-	-	8.00
1705	Criminal Justice Information Network	2.00	-	-	2.00
1715	Center for Geographic Information and Analysis	3.75	-	-	3.75
1720	Enterprise Security and Risk Management Office	5.00	-	-	5.00
1725	Staffing and Strategic Projects	34.00	1.50	-	35.50
1735	First Net	-	-	-	-
1740	Enterprise Project Management Office	9.00	-	-	9.00
1750	IT Strategy and Standards	6.00	-	-	6.00
1760	State Portal	2.00	-	-	2.00
1775	Process Management	2.00	-	-	2.00
1795	Government Data Analytics Center	28.00	-	-	28.00
1990	IT Fund Reserves and Transfers	-	-	-	-
	Department Wide				
N/A	Vacant Position Eliminations		(7.00)		
Total FTE		**99.75**	**(5.50)**	**-**	**94.25**

Summary of General Fund Total Requirements FTE
Fiscal Year 2018-19
2017 Legislative Session

Department of Information Technology					
Budget Code 14660		**Base**	**Legislative Changes**		**Revised**
Fund Code	**Fund Name**	**Total Requirements**	**Net Appropriation**	**Receipts**	**Total Requirements**
1245	Health Information Exchange Network	8.00	-	-	8.00
1705	Criminal Justice Information Network	2.00	-	-	2.00
1715	Center for Geographic Information and Analysis	3.75	-	-	3.75
1720	Enterprise Security and Risk Management Office	5.00	-	-	5.00
1725	Staffing and Strategic Projects	34.00	1.50	-	35.50
1735	First Net	-	-	-	-
1740	Enterprise Project Management Office	9.00	-	-	9.00
1750	IT Strategy and Standards	6.00	-	-	6.00
1760	State Portal	2.00	-	-	2.00
1775	Process Management	2.00	-	-	2.00
1795	Government Data Analytics Center	28.00	-	-	28.00
1990	IT Fund Reserves and Transfers	-	-	-	-
	Department Wide				
N/A	Vacant Position Eliminations		(7.00)		
Total FTE		**99.75**	**(5.50)**	**-**	**94.25**

Information Technology

GENERAL FUND

	FY 17-18		FY 18-19	
	$51,279,650		**$51,279,650**	
Legislative Changes				
Reserve for Salaries and Benefits				
1 Compensation Increase Reserve **Fund Code:** N/A Provides funding for a salary increase equal to the greater of 1.5% of an employee's base salary or $750. Total revised net appropriations for State and local employee salaries are $12 billion in FY 2017-18 and $12.2 billion in FY 2018-19.	$181,084	R	$181,084	R
2 State Retirement Contributions **Fund Code:** N/A Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and increased retiree medical premiums supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for TSERS statewide is $1.7 billion in FY 2017-18 and $1.8 billion in FY 2018-19, an increase of $33.5 million for FY 2017-18 and $169.6 million for FY 2018-19.	$33,688	R	$156,276	R
3 State Health Plan **Fund Code:** N/A Provides additional funding to continue health benefit coverage for enrolled active employees supported by the General Fund for the 2017-19 fiscal biennium. The revised net General Fund appropriation for enrolled active employees statewide is $1.5 billion in FY 2017-18 and FY 2018-19, an increase of $52.2 million for FY 2017-18 and $110.7 million for FY 2018-19.	$21,158	R	$44,834	R

	FY 17-18		FY 18-19	
Department wide				
4 Vacant Positions	($791,941)	R	($791,941)	R
Fund Code: Department wide	-7.00		-7.00	

Eliminates the following 7 positions that have been vacant for more than 260 days:

60090522 IT Executive I (1 FTE)
65011709 Applications Systems Analyst (1 FTE)
60087391 IT Enterprise Planning Analyst (1 FTE)
65020673 IT Enterprise Planning Analyst (1 FTE)
65011710 IT Business Systems Analyst (1 FTE)
65025075 Privacy and Security Officer (1 FTE)
65019452 IT Architect (1 FTE)

Enterprise Project Management Office				
5 Operations and Maintenance	$241,941	R	$241,941	R
Fund Code: 1740	$8,059	NR		

Provides funds for the ongoing operations and maintenance of the project management system Touchdown. The revised net appropriation for this fund is $1,263,619 for FY 2017-18 and $1,255,560 for FY 2018-19.

First Net				
6 First Net Federal Grant Replacement	$50,000	R	$300,000	R
Fund Code: 1735				

Provides funds to replace the expiring federal grant for First Net. The funds will continue the work to provide a wireless broadband network for public safety officials. The revised net appropriation for this fund code is $186,935 for FY 2017-18 and $436,935 for FY 2018-19.

Government Data Analytics Center				
7 Enterprise Data Management				
Fund Code: 1795	$241,941	NR		

Provides support for additional consulting services for developing a comprehensive strategy and implementation plan for Enterprise Data Management (EDM) within the Government Data Analytics Center (GDAC). The revised net appropriation for GDAC is $11,960,777 for FY 2017-18 and $11,718,836 for FY 2018-19.

Senate Committee on Appropriations/Base Budget	FY 17-18		FY 18-19	
8 Budget Transfer **Fund Code:** 1795 Transfers $2 million from fund code 1990 IT Fund Reserves and Transfers to fund code 1795 Government Data Analytics Center. The revised net appropriation for GDAC is $11,960,777 for FY 2017-18 and $11,718,836 for FY 2018-19.	$2,000,000	R	$2,000,000	R
Reserves and Transfers				
9 Budget Transfer **Fund Code:** 1990 Transfers $2 million to fund code 1795 Government Data Analytics Center. The revised net appropriation for this fund code is $18,713,733 in both years of the biennium.	($2,000,000)	R	($2,000,000)	R
Staffing and Strategic Projects				
10 Broadband Infrastructure Office **Fund Code:** 1725 Provides funds to support the Broadband Infrastructure Office. The Department of Information Technology will use a portion of the funds to restore a 0.5 FTE IT Manager position to the office and hire 1 FTE as an Industrial Development Representative. The revised net appropriation for this fund code is $8,081,727 in both years of the biennium.	$250,000 1.50	R	$250,000 1.50	R
Total Legislative Changes	**($14,070)** **$250,000**	R NR	**$382,194**	R
Total Position Changes	-5.50		-5.50	
Total Budget Adjustments	**$51,515,580**		**$51,661,844**	

Information Technology Reserve Fund

Budget Code: 24667

	FY 2017-18	FY 2018-19
Beginning Unreserved Fund Balance	**$23,414,388**	**$18,956,329**
Recommended Budget		
Requirements	**$20,724,463**	**$20,724,463**
Receipts	**$20,724,463**	**$20,724,463**
Positions	**25.50**	**25.50**

Legislative Changes

Requirements:

Background Checks Provides $200,000 to perform background checks on employees transitioned into DIT and other employees.	$0	R	$0	R
	$200,000	NR	$0	NR
	0.00		0.00	
Consulting Services Provides $258,059 to fund additional consulting services support for developing a comprehensive strategy and implementation plan for Enterprise Data Management (EDM) within GDAC.	$0	R	$0	R
	$258,059	NR	$0	NR
	0.00		0.00	
Government Transparency Initiative Provides $2,000,000 of the fund balance to support the full implementation of the government transparency initiative created by Section 7.17 of S.L. 2015-241.	$0	R	$0	R
	$2,000,000	NR	$0	NR
	0.00		0.00	
Subtotal Legislative Changes	**$0**	R	**$0**	R
	$2,458,059	NR	**$0**	NR
	0.00		0.00	

Receipts:

Budget Transfer Adjusts receipts to accurately reflect changes made to fund code 1990 IT Fund Reserves and Transfers.	($2,000,000)	R	($2,000,000)	R
	$0	NR	$0	NR

	FY 2017-18	FY 2018-19
Subtotal Legislative Changes	**($2,000,000)** R	**($2,000,000)** R
	$0 NR	**$0** NR
Revised Total Requirements	**$23,182,522**	**$20,724,463**
Revised Total Receipts	**$18,724,463**	**$18,724,463**
Change in Fund Balance	**($4,458,059)**	**($2,000,000)**
Total Positions	**25.50**	**25.50**
Ending Unreserved Fund Balance	**$18,956,329**	**$16,956,329**

Senate Appropriations/Base Budget Committee

Rules for Considering Amendments

If amendments are offered, then the following rules must be met in order to make the amendment eligible for consideration:

1. Money can only be transferred among items within the same subcommittee section.

2. Amendments where money is being transferred among items within a subcommittee must clearly identify the items/programs that are being increased and decreased.

3. Nonrecurring reductions cannot be made to fund recurring additions.

4. Amendments that spend reversions are not allowed.

5. Amendments that increase or create new management flexibility reserves are not allowed.

6. Amendments that increase spending in the subcommittee budgets are not allowed.

7. Amendments are not allowed where funding for an item comes from statewide reserves.

8. Amendments that adjust funds from reserves related to compensation or pay increases, retirement contributions, or health plan contributions are not allowed.

9. Since this is a meeting of Full Appropriations, amendments that address finance portions of the bill will not be heard.

10. Amendments must be in writing, the original signed, with 100 copies available for distribution.

11. To be considered, a proposed amendment must have been logged in by the committee clerk in room 643 by 11:30 a.m. on Wednesday, May 10, 2017.

AMENDMENT LOG: SB 257

SENATE APPROPRIATIONS BASE BUDGET COMMITTEE May 10. 2017

DRAFT NUMBER	AMENDMENT #	SPONSOR	ACTION
S257-AMK-5 [v.2]	1	TILLMAN	A
S257-ALH-16 [v.6]	2	BAREFOOT	A
S257-AMT-2 [v.3]	3	BAREFOOT	A
S257-AMC-9 [v.3]	4	HARRINGTON	A

VV-VOICE VOTE **D-DIVISION**

Possible Actions:

A-Adopted **W-Withdrawn** **O of O – Out of Order**
F-Failed **TD-Temporarily Displaced** **NA-No Action (not taken up)**
T-Tabled

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S257-AMC-9 [v.3]

Amends Title [NO]
PCS

Date _____ ,2017

Senator Brown

moves to amend the PCS on page 334, lines 39-40, by inserting between the lines the following language to read:

"UNC BOARD OF GOVERNORS TO MONITOR CREATION OF NEW POSITIONS AND CERTAIN INCREASES/CONSULTATION REQUIREMENT

SECTION 35.24. Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"**§ 116-17.3. Board of Governors monitors certain human resources actions.**

(a) The Board of Governors of The University of North Carolina shall monitor nonlegislative annual employee salary increases in the amount of three percent (3%) or more granted at constituent institutions or within the General Administration. No such salary increase shall become effective unless or until it is reported to the Board by a consultation that includes the justification for the increase or otherwise complies with consultation requirements adopted by the Board.

(b) The Board of Governors of The University of North Carolina shall monitor new personnel positions created at constituent institutions or within the General Administration. No such new position may be filled unless or until its creation is reported to the Board by a consultation that includes the justification for the new position or otherwise complies with consultation requirements adopted by the Board."";

and moves to amend the Committee Report to the PCS on page K-31, Item 40, by adding as a description for that item the following language to read:
"Establishes a new State Ports Authority Fund and provides funds for modernization initiatives. The revised net appropriation for the State Ports Authority is $45,000,000 in each year of the biennium.";

and moves to amend the PCS on page 198, lines 15 and 18, by deleting "dredging" each time it appears;

and moves to amend the PCS on page 309, lines 48-50, by rewriting the lines to read:
"appropriated in this act to the Department of Transportation (Department), and beginning in the 2017-2018 fiscal year, the sum of seven hundred fifty thousand dollars ($750,000) in recurring funds shall be allocated to qualifying Metropolitan Planning";

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S257-AMC-9 [v.3]

and moves to amend the PCS on page 335, line 31 by rewriting the line to read:
"(6) Planning Assistance 25,000";

moves to amend the Committee Report to the PCS on page J28, Item 21, as follows:
by deleting "($245,773) R" for both fiscal years and substituting "($176,866) R" for both fiscal years; and

by deleting "-4.00" for both fiscal years and substituting "-3.00" for both fiscal years; and

by deleting "4 vacant positions" and substituting "3 vacant positions"; and

by deleting "265 days" and substituting "200 days"; and

by deleting "60013309 Attorney III" and "60013681 Administrative Assistant III" and adding "60013340 Office Assistant IV"; and

on page J77, Item 48,
by deleting "($120,801) R" for both fiscal years and substituting "($189,708) R" for both fiscal years; and

by deleting "-3.00" for both fiscal years and substituting "-4.00" for both fiscal years; and

by deleting "3 positions" and substituting "4 positions"; and

by adding "60082942 Business Systems Analyst"; and

by adjusting the appropriate totals accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S257-AMK-5 [v.2]

Amends Title [NO]
PCS

Date _____,2017

Senator Tillman

moves to amend the bill on page 65, lines 30-31, by inserting between those lines the following new section to read:

"CATAWBA VALLEY CC/MANUFACTURING CENTER

SECTION 9.9. Chapter 115D of the General Statutes is amended by adding a new Article to read:

"Article 5B.

"Manufacturing Solutions Center at Catawba Valley Community College.

"**§ 115D-67.10. Purpose of the Center.**

The purpose of the Manufacturing Solutions Center at Catawba Valley Community College is to create and maintain jobs in North Carolina through support of traditional and emerging industries. The Center's services include training, testing, market development, entrepreneur support, product sourcing, prototyping, applied research, and managing a manufacturing business incubator.

"**§ 115D-67.11. Director and other Center personnel.**

The president of the Catawba Valley Community College shall appoint an individual to serve as the executive director of the Manufacturing Solutions Center. The executive director shall select other personnel of the Center, subject to the approval by the president of the Catawba Valley Community College. The executive director and other personnel of the Center are employees of Catawba Valley Community College and are subject to the personnel policies of the community college.

"**§ 115D-67.12. Fees collected by the Center; use of Center funds.**

Notwithstanding any other provision of law, all fees collected by the Manufacturing Solutions Center for services to industry, except for regular curriculum and continuing education tuition receipts, shall be retained by the Center and used for the operations of the Center. Purchases made by the Center using these funds are not subject to the provisions of Article 3 of Chapter 143 of the General Statutes. However, the Center shall (i) notify the Secretary of the Department of Administration or the Secretary's designee of the intent to enter into a contract for supplies, materials, printing, equipment, and contractual services that exceeds one million dollars ($1,000,000) as provided in G.S. 114-8.3 and (ii) include in all agreements or contracts to be awarded by the Center under this section a standard clause which provides that the State Auditor and internal auditors of the Center may audit the records of the

contractor during and after the term of the contract to verify accounts and data affecting fees and performance. The Center shall not award a cost plus percentage of cost agreement or contract for any purpose."".

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S257-AMT-2 [v.3]

Amends Title [NO]
PCS

Date _____,2017

Senator _____

moves to amend the PCS on page 348, lines 9-10, by inserting between those lines the following new section to read:

"**COMMUNITY COLLEGE SYSTEM ERP DESIGN AND IMPLEMENTATION REVISIONS**

SECTION 37.7. Section 7.10A of S.L. 2016-94 reads as rewritten:

"**COMMUNITY COLLEGES SYSTEM ERP DESIGN AND IMPLEMENTATION**

"**SECTION 7.10A.(a)** The North Carolina Community Colleges System Office, in consultation with the Department of Information Technology, shall begin planning and design of a modernized ERP for the State's 58 community colleges. The ERP system shall address, at a minimum, student information system, core financial management, grants, human resource management, and payroll. The planning and design of the ERP system may include either a modernization of the current system or a replacement system. ~~A request for proposal for a replacement system implementation shall be prepared for release~~ The North Carolina Community Colleges System Office shall initiate a competitive solicitation process for implementation of a replacement system no later than October 1, 2017. The North Carolina Community Colleges System Office may use funds from the North Carolina Community College IT Systems Budget Code 26802 to support planning and request for proposal development efforts; provided, that the total amount expended for the project does not exceed one million dollars ($1,000,000). To the extent that these funds have not been appropriated for the 2016-2017 fiscal year elsewhere, they are hereby appropriated.

"**SECTION 7.10A.(b)** The North Carolina Community Colleges System Office shall submit a preliminary report on the planning and implementation of the ERP system to the Joint Legislative Oversight Committee on Information Technology on or before January 15, 2017. ~~The report shall identify~~On or before October 1, 2017, the System Office shall report on the results of the planning and design effort, including at least all of the following information:

(1) Proposed sequence of functional and site implementation.
(2) A phased-in contracting plan with checkpoints to facilitate budgeting and program management.
(3) The feasibility of a cloud-based component.
(4) Cost estimate for full implementation."".

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S257-AMT-2 [v.3]

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 257

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S257-ALH-16 [v.2]

Amends Title [NO]
PCS

Date _____ ,2017

Senator Barefoot

moves to amend the bill on page 73, lines 21-22,
by inserting between those lines the following:

"ESTABLISH LEGISLATIVE SCHOOL FOR LEADERSHIP AND PUBLIC SERVICE/GOVERNOR'S SCHOOL FUNDS

SECTION 10.16.(a) The General Assembly finds that it is important to recognize students who have talent and potential as leaders and to provide opportunities and training for students to develop and explore their leadership skills. The General Assembly further finds it is important to prepare students who display leadership skills to lead in responsible, positive ways and to provide a variety of settings for students to practice and strengthen leadership talents. The General Assembly also recognizes that the community involvement and public services performed by students seeking to fulfill their leadership potential provides an invaluable benefit to the State and its citizens.

SECTION 10.16.(b) The Legislative School for Leadership and Public Service is established within The University of North Carolina General Administration. The School shall be a summer residential program for academically gifted high school students that offers a course of study on leadership development and public service that is academically excellent and that also provides an outstanding and unique educational experience.

The Board of Governors shall determine which constituent institution shall be the site and sponsor of the program and, in consultation and collaboration with the constituent institution shall design and implement an application and nomination process for students interested in attending the program and the criteria and process to be used to determine admissions to the program. The curriculum for the program shall be designed by the constituent institution based on criteria established by the Board of Governors and is subject to the approval of the Board of Governors.

The constituent institution shall administer the Legislative School for Leadership and Public Service in consultation and collaboration with The University of North Carolina Office of General Administration.

SECTION 10.16.(c) G.S. 116-11 is amended by adding a new subdivision to read:

"(13b.) The Board of Governors may authorize the constituent institution selected by the Board as the site and sponsor for the Legislative School for Leadership and Public Service to implement a tuition charge for students attending the School to cover the costs of the School."

SECTION 10.16.(d). Part 3 of Article 1 of Chapter 116 of the General Statutes is amended by adding a new section to read:

"**§ 116-33.3. Tuition for Legislative School for Leadership and Public Service.**

The Board of Trustees of any constituent institution selected by the Board of Governors as the site and sponsor for the Legislative School for Leadership and Public Service may, with the approval of the Board of Governors, implement a tuition charge for students attending the School to cover the costs of the School."

SECTION 10.16(e) Of the funds appropriated by this act to the Board of Governors for the 2018-2019 fiscal year the sum of two hundred thousand dollars ($200,000) shall be used to support the Summer Ventures Program. The funds shall be allocated equally among the constituent institutions that offer the Summer Ventures Program.

SECTION 10.16.(f) The Legislative School for Leadership and Public Service created by this act shall be offered beginning on or after July 1, 2018, and shall be offered each subsequent summer semester." ; and

Further moves to amend the Senate Appropriations/Base Budget money report on page F-13, Item 32 (Governor's School of North Carolina) by deleting the reduction for that item for the 2017-2018 fiscal year.; and

further moves to amend the Senate Appropriations/Base Budget money report on page F-33, Item 61 (Centers and Institutes) by increasing the reduction for each fiscal year by $800,000; and

further moves to amend the Senate Appropriations/Base Budget money report on page F-34, by adding a new item to read:

"66.A. Summer Ventures	FY 17-18	FY18-19
Budget Code: 16011	0	$200,000

Provides funding for the Summer Ventures program. This four-week residential program, designed for students who are interested in science, technology, engineering and mathematics (STEM) fields, is administered by the North Carolina School of Science and Mathematics. It is provided at no cost to the participants."; and

on page F-34, by adding a new item to read:

"66.B. Legislative School for Leadership and Public Service	FY 17-18	FY 18-19
Budget Code: 16011	0	$600,000

Establishes the Legislative School for Leadership and Public Service. This summer residential program provides academically gifted students with an intensive course of study in leadership and public policy

that includes an emphasis on public service."; and

by adjusting the appropriate totals and rewriting the appropriate descriptions of money items accordingly and by renumbering the money report accordingly.

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: **May 10, 2017**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Lex Janes	DNCR
L. Lesesne	NCRLCA
Dirk Curtis	Indep Rate RCLC
JOHN Coop	Comm C
Pete Dail Jr	" " "
Diane Vandegrift	V. Dant Health
Ben Popkin	DHHS
[illegible]	OP
Phoebe Landon	MWC
Sarah McQuillan	KCNC
Matt Ellinwood	NC Justice Center
Jamaica Pfister	Childrens Home Society
Kay Castillo	NASW NC
Barbara Moore	NCAOC
Seth Williford	NCAOC
Tommy Sears	MWC
Kerri Leeuwke	NCOC

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: **May 10, 2017**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Mary Freeman	NCAE
LT McCrimmon	DHHS
Sarah Bayles	Bruckhaus Miss.
Alex Schaffer	FSP
	Pope
	NCMA. RANC LPAs
Michelle Fraver	SML
Josh Lanier	SML
Mark Lanier	UNCW
Drew Moretz	UNC GA
Matt Pocklington	ASU
TOM BEAN	EDF,
	TCE
Renee Waldwick	NCSBA
Mary Shuping	NCCCS
Elizabeth Hoverter	NCCCS
Richard Bostic	NC SBA

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: **May 10, 2017**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Holly Bowick	30th District Attorney's Office
[illegible]	CSS
[illegible]	[illegible]
[illegible]	30 PK
Katie Stanley	DOA
Lindsay Wagner	AJ Fletcher Foundation
GLENN McNEILL	NCSHP
ALAN MELVIN	NCSHP
Marsha Overby	NCSHP
CHRIS SAUNDERS	NCDA&CS
Kevin Wilkinson	NC Superintendent
Chloe Gossage	"
Jonathan Barlowe	Barlowe & Assoc
[illegible]	30
Elizabeth Bise	BP
Sam Bridges	Town of Garner
Rev Dr. Michael Laws	SELF - Durham

VISITOR REGISTRATION SHEET

Senate Base Budget
(Committee Name)

5-10-17
Date

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Jack Smith	UWC
Jean Hamill	UWC
Robb Jansen	NCSBE
Amy M Dalrymple	Lee County - Commissioner
Michael Silvers	Lee County - Mgmt Intern
Heather Parrish	Lee County - County Attorney
John Crumpler	Lee County Manager
Frankie Howard	Jones County Manager
Joe Wiggins	Jones County Commissioner
Fleming EL-Amin	Forsyth Co - NCACC
Helen Wiley	Davie Co NCACC
JOHN FERGUSON	DAVIE CO COMMISSIONER
Don Martin	Forsyth Co Commissioner
Ken Wright	NCDOR
Andrea Jenkins	SEANC

09-21-201

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: **May 10, 2017**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Darryl Childers	OOTG
Hugh Johnson	NCACC
TJ Bugbee	NP
Susanna Davis	OSHR
Mary Miller	AMGA
Lexi Arthur	NCAMA
Sarah Hardin	NCEL
David Ferrell	WS
David Collins	SIANC
Jay Hilliard	NCDOT
Deana Edman	NCDOT
Christine Wasson	ACS CAN
Will Morgan	MFS
Jake Hartzell	MFS
SueAnn Forrest	NCMS
	SN
Skipper DAVID	NEWFRAME

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: **May 10, 2017**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Thomas Maher	IDS
Whitney Fairbanks	IDS
Leanne Winner	NCSBA
M/E Jones	AP
Fred Baker	Bonner Assoc.
Dodie Rayfield	CCR
Melissa Boughton	NC Fed watch
Tonya Kirton	TSS
A. White	
Jeff DeLuca	Sen Chaudhuri
Rock Cheek	NLCAT
Jenn for Haywood	NCDOL
Sarah Beth Kenna	NCDOL
M. Shahill	ITEP
Chris Iglesias	JFTC
Brad Salmon	NCDPS
Keeli Lucas	Duke Energy

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: **May 10, 2017**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
L C Penny	CSS
Michael Houser	THCG
Paul Fogleman	HPGA
Brian Mirard	WM
Laura Killian	Vista Strategies
Rachel Bentley	RPLaw
Ashley Peterson	Peterson
Bryan D. Holloway	Holloway Group Inc
Katherine Joyce	NCASA
John C Boyd	Mccy and Community College
Doug Muston	PSG
Amanda Ripley	JDA
Joe Golinka	Gateway Health
Ken Burgess	Gateway Health
Mary Lucas	Duke Health
JOEL MATHENY	GPM ASSOC
Meaghan Lewis	NC Chamber

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: **May 10, 2017**

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

NAME	FIRM OR AGENCY AND ADDRESS
Matthew Dockham	Appalachian State
Andy Miller	DEQ
Tom Bean	EDF
SPA	NCSU
Tom West	NCICU
[illegible]	Forsyth County Commissioner
Brent Beach	Davie County Gov
Terry Renegar	✓
DUDLEY WATTS	Forsyth County Govt
JD HARTMAN	DAVIE Co. SHERIFF
BRUCE THOMPSON	PARKER POE
Andrew Yelverton	Visitor NCRP

Senate Committee on Appropriations/Base Budget
Thursday, February 8, 2018
Room 643 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations/Base Budget met at 5:30 PM on February 8, 2018 in Room 643 of the Legislative Office Building. Eleven members were present.

Senator Harry Brown, Chair, presided. Senator Brown called the meeting to order and recognized the Sergeant-at-Arms' staff.

Senator Andy Wells presented **HB 189 Water Safety Act. (Representatives Davis, Hardister, Clampitt, Grange)**

Senator Brown asked if there were any questions and a brief discussion among committee members followed.

Senator Jackson moved for a favorable report and the motion carried.

The meeting adjourned at 5:33 PM.

Senator Harry Brown, Chair
Presiding

Lorie Byrd, Committee Clerk

Attachments:

1. Notice
2. Agenda
3. HB 189 Water Safety Act
4. Summary of HB 189
5. Visitor Registration

ATTACHMENT 1

Principal Clerk ____
Reading Clerk ____

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Appropriations/Base Budget** will meet at the following time:

DAY	DATE	TIME	ROOM
Thursday	February 8, 2018	3:00 PM	643 LOB

Senator Brown will chair.

Senator Harry Brown, Co-Chair
Senator Kathy Harrington, Co-Chair
Senator Brent Jackson, Co-Chair

Principal Clerk
Reading Clerk

Corrected #2: Time change.

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Appropriations/Base Budget** will meet at the following time:

DAY	DATE	TIME	ROOM
Thursday	February 8, 2018	15 Minutes After Session	643 LOB

The following will be considered:

BILL NO.	SHORT TITLE	SPONSOR
HB 189	Water Safety Act.	Representative Davis Representative Hardister Representative Clampitt Representative Grange

Senator Brown will chair.

Senator Harry Brown, Co-Chair
Senator Kathy Harrington, Co-Chair
Senator Brent Jackson, Co-Chair

ATTACHMENT 2

SENATE COMMITTEE ON APPROPRIATIONS/BASE BUDGET

Legislative Office Building, Room 643

February 8, 2018
3:00 p.m.

Opening Remarks	Senator Harry Brown, Presiding Senator Kathy Harrington Senator Brent Jackson
Water Safety Act (HB189)	Senator Michael Lee
Committee Vote	
Adjourn	

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

H 3

HOUSE BILL 189

Committee Substitute Favorable 1/10/18
Senate Agriculture/Environment/Natural Resources Committee Substitute Adopted 2/7/18

Short Title: Water Safety Act. (Public)

Sponsors:

Referred to:

February 27, 2017

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT MEASURES TO ADDRESS "GENX" AND OTHER EMERGING CONTAMINANTS.

The General Assembly of North Carolina enacts:

DIRECT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES TO CONSULT WITH FEDERAL AGENCIES, AS WELL AS THE NORTH CAROLINA POLICY COLLABORATORY AT THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL, WHICH SHALL COORDINATE RELEVANT FACULTY EXPERTISE IN THE UNIVERSITY OF NORTH CAROLINA SYSTEM, ON THE PROCESS FOR THE ESTABLISHMENT OF HEALTH GOALS FOR PER- AND POLY-FLUOROALKYL SUBSTANCES

SECTION 1. The Department of Health and Human Services shall consult with the United States Environmental Protection Agency, the Centers for Disease Control and Prevention, the Agency for Toxic Substances and Disease Registry, as well as the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill, which shall coordinate with faculty experts across The University of North Carolina System, including the University of North Carolina at Wilmington and the Gillings Global School of Public Health of the University of North Carolina at Chapel Hill, on the Department's process for the establishment of health goals for per- and poly-fluoroalkyl substances.

DIRECT THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO COOPERATE WITH ANY UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AUDIT OF THE DEPARTMENT'S NPDES PERMIT PROGRAM

SECTION 2. The Department of Environmental Quality shall cooperate with any audit of its National Pollutant Discharge Elimination System (NPDES) permitting program by the United States Environmental Protection Agency (USEPA). In the event of an audit, the Department shall specifically work with the USEPA to examine the adequacy of the Department's NPDES permitting program.

REVIEW NPDES PERMIT PROGRAM

SECTION 3. The Department of Environmental Quality shall review its National Pollutant Discharge Elimination System (NPDES) permitting program from October 19, 1975, the date on which the Department assumed authority to implement the program under

delegation from the United States Environmental Protection Agency pursuant to section 402(b) of the federal Clean Water Act and 40 C.F.R. Part 123, to the effective date of this act. In conducting its review, the Department shall examine:

(1) Requirements for persons applying for individual NPDES permits to fully disclose in applications for new permits, permit renewals, or permit modifications, all pollutants, including emerging contaminants for which an applicable discharge standard has not been established under State or federal law, included in their discharge.

(2) Existing processes for developing standards or limitations for emerging contaminants for which an applicable discharge standard has not previously been established under State or federal law, included in a permittee's discharge.

(3) Internal permit review processes to ensure thorough and timely review of permit applications.

(4) The time required to process all NPDES permit applications that are received by the Department. The examination of processing time shall include (i) the total processing time from when an initial permit application is received to issuance or denial of the permit and (ii) the processing time from when a complete permit application is received to issuance or denial of the permit.

The Department shall submit a final report with findings, including any steps the Department plans to take to improve the Department's implementation of the program, to the House Select Committee on North Carolina River Quality, the Senate Select Committee on North Carolina River Water Quality, and the Environmental Review Commission no later than June 1, 2018. In accordance with Section 2 of this act, the Department shall include any information related to an audit of its NPDES permitting program by the USEPA in the report.

DIRECT THE DEPARTMENT OF ENVIRONMENTAL QUALITY TO COORDINATE AND SHARE WATER QUALITY DATA WITH STATES IN THE REGION

SECTION 4. Article 21 of Chapter 143 of the General Statutes is amended by adding a new section to read:

"**§ 143-215.1D. Coordination with neighboring states.**

The Department of Environmental Quality shall coordinate with the Georgia Department of Natural Resources, the South Carolina Department of Health and Environmental Control, the Tennessee Department of Environment and Conservation, the Virginia Department of Environmental Quality, and the West Virginia Department of Environmental Protection to improve processes for sharing information about contaminants identified in surface water or groundwater shared by or passing or flowing across the border of those states and this State. As needed, the Department shall share with those agencies water quality data for, and information about any contaminant identified in, surface water or groundwater shared by or passing or flowing across the border of those states and this State."

GENX FUNDING/USE OF MASS SPECTROMETERS AVAILABLE IN THE UNIVERSITY OF NORTH CAROLINA SYSTEM

SECTION 5. The General Assembly finds that relevant faculty expertise, technology, and instrumentation, including mass spectrometers, existing throughout The University of North Carolina System should be made available for the analysis of water quality sampling with respect to the discharge of the poly-fluoroalkyl chemical known as "GenX" (CAS registry number 62037-80-3 or 13252-13-6), and other emerging contaminants, and that repurposing existing funds to facilitate these activities is an efficient utilization of State funds and resources. In addition, the General Assembly finds that relevant faculty expertise,

technology, and instrumentation, including mass spectrometers, existing throughout The University of North Carolina System should be made available for related research on improved water quality sampling and analysis techniques, data interpretation, and potential mitigation measures that may be necessary, with respect to the discharge of the poly-fluoroalkyl chemical known as "GenX" (CAS registry number 62037-80-3 or 13252-13-6), and other emerging contaminants, and that repurposing existing funds to facilitate these activities is an efficient utilization of State funds and resources.

SECTION 6.(a) In the event that the United States Environmental Protection Agency no longer provides access to its analytical instrumentation at no cost to the State for water quality sampling analysis related to the poly-fluoroalkyl chemical known as "GenX" (CAS registry number 62037-80-3 or 13252-13-6), and other emerging contaminants, or if the Department of Environmental Quality determines that such analysis is not being performed in a sufficiently timely manner, the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill shall coordinate such analysis in the most cost-effective manner using relevant faculty expertise, technology, and instrumentation, including mass spectrometers, existing throughout The University of North Carolina System. The Collaboratory, in consultation with the Department and relevant experts across The University of North Carolina System, including the University of North Carolina at Wilmington and the Environmental Sciences and Engineering Department within the Gillings Global School of Public Health of the University of North Carolina at Chapel Hill, shall establish a protocol for delivery of such samples taken by the Department to the entity designated to perform analysis of the samples, chain of custody protocols, and other matters to ensure proper handling and processing of the samples.

SECTION 6.(b) The North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill shall identify faculty expertise within The University of North Carolina System, and use technology, and instrumentation, including mass spectrometers, existing throughout The University of North Carolina System, to conduct the following research: (1) develop quantitative models to predict which private wells are most at risk of contamination from the discharge of the poly-fluoroalkyl chemical known as "GenX" (CAS registry number 62037-80-3 or 13252-13-6), and other emerging contaminants, and (2) test the performance of household water filters in removing such compounds. In addition, the Collaboratory may, using relevant faculty expertise, technology, and instrumentation existing throughout The University of North Carolina System, evaluate other research opportunities and conduct such research for improved water quality sampling and analyses techniques, data interpretation, and potential mitigation measures that may be necessary, with respect to the discharge of the poly-fluoroalkyl chemical known as "GenX" (CAS registry number 62037-80-3 or 13252-13-6), and other emerging contaminants.

SECTION 6.(c) Notwithstanding Section 27.5 of S.L. 2016-94, as amended by Section 10.4 of S.L. 2017-57, the North Carolina Policy Collaboratory is authorized to use for the purposes set forth in this act no more than one million dollars ($1,000,000) for the 2017-2018 fiscal year and no more than one million dollars ($1,000,000) for the 2018-2019 fiscal year of the funds appropriated for the 2016-2017 fiscal year to the Office of State Budget and Management, Special Appropriations, and allocated to the Board of Trustees of the University of North Carolina at Chapel Hill for use as matching funds by the Collaboratory. Funds reallocated by this section shall not revert but shall continue to be available as provided in this act.

SECTION 6.(d) Notwithstanding Section 27.5 of S.L. 2016-94, as amended by Section 10.4 of S.L. 2017-57, no match is required for funds reallocated by this section.

FUNDS TO THE DEPARTMENT OF ENVIRONMENTAL QUALITY

SECTION 7.(a) The sum of two million four hundred thousand dollars ($2,400,000) in nonrecurring funds for the 2017-2018 fiscal year shall be appropriated from the unappropriated balance remaining in the General Fund to the Department of Environmental Quality to implement this act. The Department of Environmental Quality shall report no later than June 1, 2018, and quarterly thereafter, to the Joint Legislative Committee on Governmental Operations on how funds appropriated under this section will be and are being used.

SECTION 7.(b) Section 2.1 of S.L. 2017-57, as amended by Section 1.1 of S.L. 2017-197, reads as rewritten:

"**SECTION 2.1.** Appropriations from the General Fund of the State for the maintenance of the State departments, institutions, and agencies, and for other purposes as enumerated, are made for the fiscal biennium ending June 30, 2019, according to the following schedule:

Current Operations – General Fund	**FY 2017-2018**	**FY 2018-2019**
...		
NATURAL AND ECONOMIC RESOURCES		
...		
Department of Environmental Quality	~~78,170,327~~80,570,327	77,012,714
...		
TOTAL CURRENT OPERATIONS – GENERAL FUND	**$ ~~22,980,769,893~~22,983,169,893**	**$ 23,650,253,958"**

SECTION 7.(c) Section 2.2(a) of S.L. 2017-57 reads as rewritten:

"**SECTION 2.2.(a)** The General Fund availability used in developing the 2017-2019 fiscal biennial budget is shown below:

	FY 2017-2018	**FY 2018-2019**
Unappropriated Balance	$ 208,607,416	$ ~~499,303,328~~496,903,328
...		
Revised Unappropriated Balance	**108,607,416**	**~~499,303,328~~496,903,328**
...		
Beginning Unreserved Fund Balance	**471,279,046**	**~~499,303,328~~496,903,328**
...		
Total General Fund Availability	**23,623,979,046**	**~~24,634,803,328~~24,632,403,328**
...		
Revised General Fund Availability	**$ 23,529,781,221**	**$ ~~24,022,005,283~~24,019,605,283**
Less General Fund Net Appropriations	~~(23,030,477,893)~~(23,032,877,893)	(23,652,171,951)
Unappropriated Balance Remaining	**$ ~~499,303,328~~496,903,328**	**$ ~~369,833,332~~367,433,332"**

SECTION 7.(d) Nonrecurring funds appropriated by this act for the 2017-2018 fiscal year shall not revert but shall remain available for nonrecurring expenses through June 30, 2019.

EFFECTIVE DATE

SECTION 8. Except as otherwise provided, this act is effective when it becomes law.

ATTACHMENT 4

HOUSE BILL 189: Water Safety Act.

2017-2018 General Assembly

Committee:	Senate Appropriations/Base Budget. If favorable, re-refer to Appropriations/Base Budget	**Date:**	February 8, 2018
Introduced by:	Reps. Davis, Hardister, Clampitt, Grange	**Prepared by:**	Jeff Hudson Jennifer McGinnis Staff Attorneys
Analysis of:	Third Edition		

OVERVIEW: ***House Bill 189 would provide for the following measures related to emerging contaminants:***

- ***Direct the Department of Health and Human Services (DHHS) to consult with federal agencies, as well as the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill (Collaboratory), which shall coordinate relevant faculty expertise in the University of North Carolina System, on the process for the establishment of health goals for per- and poly-fluoroalkyl substances***
- ***Direct the Department of Environmental Quality (DEQ) to cooperate with any United States Environmental Protection Agency (USEPA) audit of DEQ's National Pollutant Discharge Elimination System (NPDES) permit program***
- ***Direct DEQ to review the State's NPDES permitting program***
- ***Direct DEQ to coordinate and share water quality data with neighboring states***
- ***Provide for funding and research related to GenX and other emerging contaminants***

BILL ANALYSIS:

Section 1 would direct DHHS to consult with USEPA, the Centers for Disease Control and Prevention, the Agency for Toxic Substances and Disease Registry, as well as the North Carolina Policy Collaboratory at the University of North Carolina at Chapel Hill, which will coordinate with faculty experts across the University of North Carolina System, on DHHS's process for the establishment of health goals for per- and poly-fluoroalkyl substances.

Section 2 would direct DEQ to cooperate with any audit of its NPDES permitting program by USEPA and require it to work with USEPA to examine the adequacy of the program.

Karen Cochrane-Brown
Director

H189-SMSB-53 E3 -V-1

Legislative Analysis Division
919-733-2578

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

Section 3 would direct DEQ to review its NPDES permitting program from October 19, 1975, the date on which DEQ assumed authority to implement the program under delegation from USEPA, to the present. DEQ is specifically directed to examine issues related to:

- Full disclosure of information by permit applicants
- Processes for developing standards and limitations for emerging contaminants
- The NPDES permit review process
- The time required to process NPDES permit applications

DEQ would submit a final report with findings, including steps DEQ plans to take to improve its implementation of the program, to the House Select Committee on North Carolina River Quality, the Senate Select Committee on North Carolina River Water Quality, and the Environmental Review Commission no later than June 1, 2018. These reports would include any information related to an audit of the NPDES permitting program by USEPA.

Section 4 would direct DEQ to coordinate and share water quality information with its following sister agencies:

- The Georgia Department of Natural Resources
- The South Carolina Department of Health and Environmental Control
- The Tennessee Department of Environment and Conservation
- The Virginia Department of Environmental Quality
- The West Virginia Department of Environmental Protection

Section 5 is a finding by the General Assembly that relevant faculty expertise, technology, and instrumentation, including mass spectrometers, existing throughout the University of North Carolina System should be made available for:

- The analysis of water quality sampling with respect to the discharge of GenX and other emerging contaminants
- Related research on improved water quality sampling and analysis techniques, data interpretation, and potential mitigation measures that may be necessary, with respect to the discharge of GenX and other emerging contaminants

The General Assembly also finds that repurposing existing funds to facilitate these activities is an efficient utilization of State funds and resources.

Section 6.(a) would provide that in the event that USEPA no longer provides access to its analytical instrumentation at no cost to the State for water quality sampling analysis related to GenX and other emerging contaminants, or if DEQ determines that such analysis is not being performed in a sufficiently timely manner, the Collaboratory will coordinate such analysis in the most cost-effective manner using relevant faculty expertise, technology, and instrumentation, including mass spectrometers, existing throughout the University of North Carolina System. The Collaboratory, in consultation with DEQ and relevant experts across the University of North Carolina System, would establish a protocol for delivery

of such samples taken by DEQ to the entity designated to perform analysis of the samples, chain of custody protocols, and other matters to ensure proper handling and processing of the samples.

Section 6.(b) would direct the Collaboratory to identify faculty expertise within the University of North Carolina System, and use technology, and instrumentation, including mass spectrometers, existing throughout the University of North Carolina System, to conduct the following research:

- Develop quantitative models to predict which private wells are most at risk of contamination from the discharge of GenX and other emerging contaminants
- Test the performance of household water filters in removing such compounds

The Collaboratory may, using relevant faculty expertise, technology, and instrumentation existing throughout the University of North Carolina System, evaluate other research opportunities and conduct such research for improved water quality sampling and analyses techniques, data interpretation, and potential mitigation measures that may be necessary, with respect to the discharge of GenX and other emerging contaminants.

Section 6.(c) would authorize the Collaboratory to use for the purposes set forth in this act no more than one million dollars ($1,000,000) for the 2017-2018 fiscal year and no more than one million dollars ($1,000,000) for the 2018-2019 fiscal year of funds allocated for use as matching funds by the Collaboratory.

Section 7 would appropriate the sum of $2,400,000 in nonrecurring funds for the 2017-2018 fiscal year from the unappropriated balance remaining in the General Fund to DEQ to implement the act. DEQ would report no later than June 1, 2018, and quarterly thereafter, to the Joint Legislative Committee on Governmental Operations on how funds appropriated under this section will be and are being used. This appropriation would remain available for nonrecurring expenses through June 30, 2019.

EFFECTIVE DATE: Except as otherwise provided, the act would become effective when it becomes law.

ATTACHMENT 5

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: February 8, 2018

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY AND ADDRESS
1		
2	Brooks Rainey Pearce	JEC
3		JEC
4	Rhodgon Scott	Focus Carolina
5	Tom Hart	NCJCL
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: February 8, 2018

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY AND ADDRESS
35	Alan Bradger	PEFNC
36	Joan B Clark	UNC
37	Laura K	NCDACS
38	Jaffon Foret	NCMC
39		
40		
41		
42		
43		
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Senate Committee on Appropriations/Base Budget
Wednesday, November 28, 2018 at 11:00 AM
Room 643 of the Legislative Office Building

MINUTES

The Senate Committee on Appropriations/Base Budget met at 11:00 AM November 28, 2018 in Room 643 of the Legislative Office Building. Eleven members were present.

Senator Brent Jackson, Co-Chair, presided.

Senator Jackson called the meeting to order at 11:10 AM and recognized the Sergeant-at-Arms staff.

He then recognized Senator Brown to present the proposed committee substitute to **SB 823 Hurricane Florence/ Supplemental Act. (Brown; B. Jackson).** Senator Jackson asked for a motion to hear the committee substitute, and Senator Tillman made the motion.

Senator Brown explained the bill and then, along with staff, answered various questions from the members.
Specifically, Senator J. Davis asked a question about insurance payments and staff answered. He then asked an additional question about an education expenditure, and staff answered. Sen. Robinson asked about an unrelated tornado in Greensboro, and indicated that she wanted money for that. Sen. Brown responded that the tornado referenced was not germane to the bill. Sen. Sanderson asked a question about the time sensitivity of the bill, and Sen. Brown answered that the bill was intended to get money to those who need it as quickly as possible.

Sen. Brown then offered an amendment and let staff explain it.
Amendment 1: Sen. Brown, Sponsor – S823-AMM-57 [v.6]

Sen. Jackson then opened the floor for public comment. The Committee heard from the following speakers: Agriculture Commissioner Steve Troxler, Jerry Schill, Emily Watkins, Bob Ford, and Deacon Jones.

Sen. J. Davis then made a motion to approve Amendment 1, and the committee adopted the amendment.

Sen. Brown then addressed several concerns that were voiced during public comment.

Sen. Chaudhuri moved to report the bill as unfavorable as to the bill, favorable as to the Committee Substitute, as amended, and with leave for Staff to make Technical and Conforming Changes.

The motion passed and the Committee adjourned at 11:57 AM.

Senator Brent Jackson, Co-Chair
Presiding

Ross Barnhardt, Committee Clerk

Attachments (9)

1. Committee Notice
2. Agenda
3. Committee Report
4. Minutes
5. SB 823 Summary
6. SB 823
7. Amendment 1: Sen. Brown, Sponsor – S823-AMM-57 [v.6]
8. Visitor Registration
9. Speaker Sign-Up Sheet

Principal Clerk ____
Reading Clerk ____

SENATE
NOTICE OF COMMITTEE MEETING
AND
BILL SPONSOR NOTICE

The **Senate Committee on Appropriations/Base Budget** will meet at the following time:

DAY	DATE	TIME	ROOM
Wednesday	November 28, 2018	11:00 AM	643 LOB

Committee will take up Hurricane Disaster Relief.

Senator Harry Brown, Co-Chair
Senator Kathy Harrington, Co-Chair
Senator Brent Jackson, Co-Chair

ATTACHMENT 2

SENATE COMMITTEE ON APPROPRIATIONS/BASE BUDGET

AGENDA

Legislative Office Building, Room 643

November 28, 2018
11:00 a.m.

Opening Remarks	Senator Brent Jackson, Presiding Senator Kathy Harrington Senator Harry Brown
Hurricane Florence/Supplemental Act	Senator Harry Brown
Committee Vote	
Adjourn	

ATTACHMENT 3

NORTH CAROLINA GENERAL ASSEMBLY
SENATE

APPROPRIATIONS/BASE BUDGET COMMITTEE REPORT
Senator Brown, Co-Chair
Senator Harrington, Co-Chair
Senator B. Jackson, Co-Chair

Wednesday, November 28, 2018

Senator B. Jackson,
submits the following with recommendations as to passage:

UNFAVORABLE AS TO BILL, BUT FAVORABLE AS TO COMMITTEE SUBSTITUTE BILL

SB **823** Hurricane Florence/Supplemental Act.

Draft Number:	S823-PCS15332-MMa-13
Sequential Referral:	Rules and Operations of the Senate
Recommended Referral:	None
Long Title Amended:	No

TOTAL REPORTED: 1

Senator Harry Brown will handle SB 823



Senate Committee on Appropriations/Base Budget
Wednesday, November 28, 2018 at 11:00 AM
Room 643 of the Legislative Office Building

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Specifically, Senator J. Davis asked a question about insurance payments and staff answered. He then asked an additional question about an education expenditure, and staff answered. Sen. Robinson asked about an unrelated tornado in Greensboro, and indicated that she wanted money for that. Sen. Brown responded that the tornado referenced was not germane to the bill. Sen. Sanderson asked a question about the time sensitivity of the bill, and Sen. Brown answered that the bill was intended to get money to those who need it as quickly as possible.

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Sen. Brown then addressed several concerns that were voiced during public comment.

Sen. Chaudhuri moved to report the bill as unfavorable as to the bill, favorable as to the Committee Substitute, as amended, and with leave for Staff to make Technical and Conforming Changes.

The motion passed and the Committee adjourned at 11:57 AM.

Senator Brent Jackson, Co-Chair
Presiding

Ross Barnhardt, Committee Clerk

Attachments (9)

1. Committee Notice
2. Agenda
3. Committee Report
4. Minutes
5. SB 823 Summary
6. SB 823
7. Amendment 1: Sen. Brown, Sponsor – S823-AMM-57 [v.6]
8. Visitor Registration
9. Speaker Sign-Up Sheet

SENATE BILL 823:
Hurricane Florence/Supplemental Act.

2017-2018 General Assembly

Committee:	Senate Appropriations/Base Budget. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	November 27, 2018
Introduced by:	Sens. Brown, B. Jackson	**Prepared by:**	Kory Goldsmith Staff Attorney
Analysis of:	PCS to First Edition S823-CSMMa-12		

OVERVIEW: The Proposed Committee Substitute to Senate Bill 823 appropriates $299,800,000 for additional disaster relief in response to Hurricane Florence.

BILL ANALYSIS:

Section 1.2 appropriates $299,800,000 for additional Hurricane Florence disaster relief which is allocated in Section 1.3 as follows:

- **Department of Public Instruction** – $23,500,000 to for repair and renovate school facilities and $1,500,000 is provided to repair or replace food, food nutrition equipment, and food nutrition supplies
- **Department of Agriculture and Consumer Services** – $240,000,000 to implement the Hurricane Florence Agricultural Disaster Program of 2018.
- **Golden L.E.A.F.** – $5,000,000 for loans to small businesses.
- **Department of Environmental Quality** – $10,000,000 to the to be used for commercial fishing assistance, $250,000 for the State match for the removal of marine debris deposited along the shorelines of state-owned lands, and $18,500,000 for the State match to mitigate or remediate coastal storm damage to the ocean beaches and dune systems of the State.
- **Wildlife Resources Commission** – $50,000 to develop legislation related to derelict and abandoned vessels.
- **Judicial Department** – $1,000,000 for the replacement of equipment and supplies, and other expenses related to additional court sessions required as a result of disaster-related courthouse closures.

SECTION 2.1. Authorizes the Department of Public Instruction to transfer up to $350,000 from the State Public School Fund to the Education Fund to support the Florence Aid to Students and Teachers of North Carolina (FAST NC) initiative to assist public schools as educators and students recover from the impacts of Hurricane Florence.

SECTION 2.2. Holds harmless principal salaries impacted by lower average daily membership when the principal's school is located in a disaster area and the school was closed for at least 15 days in September, October, and November of 2018 as a result of Hurricane Florence.

SECTION 2.3. Allows funds for repair and renovation of capital facilities at UNC campuses at Wilmington, Pembroke, and Fayetteville to also be used for temporary facility costs associated with damage from Hurricane Florence.

Kory Goldsmith
Director

S823-SMMM-8 CSMMA-12 -V-5

Legislative Drafting
(919) 733-6660

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

SECTION 2.4. The Department of Agriculture and Consumer Services provides in-State soil testing, which carries a fee during peak season. Under current law, the Department has discretion over when to begin peak season, but must begin the season before December 1. This section would begin peak season on December 15 for the year 2018.

SECTION 2.5. Clarifies that Agricultural Disaster Program applies only to commodities that had not been harvested at time of Hurricane Florence, and adds a reporting requirement to the General Assembly for the program.

SECTION 2.6. Allows funds appropriated in prior bills for stream debris removal associated with Hurricane Matthew to be used for removal of stream debris deposited by Hurricane Florence.

SECTION 2.7. Describes the permitted uses of funds allocated for commercial fishing assistance. The funds may be used to reimburse holders of SCFL, RSCFL, and Resident Shellfish Licenses for reductions in landings for all or part of the period from September 1, 2018 through November 30, 2018 over prior years' landings. The Division of Marine Fisheries is permitted to use 2.5% of the funds for administrative costs.

SECTION 2.8. Directs the Wildlife Resources Commission to study and make recommendations to address legal and funding obstacles hindering efforts to address the problem of abandoned and derelict vessels in waters of the State. The Commission shall create and consult with a working group of interested stakeholders and make its report to the General Assembly by March 1, 201.9

SECTION 2.9. Clarifies that funds appropriated in the 2018 Appropriations Act for the development and implementation of emerging techniques for improving the resiliency of beach nourishment projects in coastal communities shall be used for development and implementation of any project to mitigate future hurricane impacts on Topsail Island.

SECTION 2.10. Expands the eligible entities that may receive grants from Golden L.E.A.F. to include 501(c)(3) organizations (to repair and replace infrastructure, vehicles, equipment and facilities) and private nonprofit organizations and established religious organizations (to repair and replace places of worship damaged by flooding caused by Hurricane Florence).

SECTION 2.12. Amends various status related to court staffing to (i) allow the Direction of the Administrative Office of the Courts to provide temporary district attorneys upon the request of an elected District Attorney that is in a county that is subject to a gubernatorial disaster declaration, (ii) allow district court sessions to be held in a location outside the county seat is exigent circumstances exist and if approved by the Administrative Officer of the Courts, and (iii) allows the chief district court judge to assign magistrates to temporary duty outside the magistrate's county of residency.

SECTION 2.13. Directs the Governor to develop a 5-year plan beginning in the 2019-2020 fiscal year to replenish the funds transferred from the Savings Reserve to the Hurricane Florence Disaster Recovery Fund.

SECTION 2.14. Revises and coordinates the auditing and reporting requirements for both Hurricane Florence and Hurricane Matthew.

SECTION 3.1 Make the appropriations applicable to those counties designated in the Presidential disaster declaration for Hurricane Florence. As of 11/15/2018, those counties are Anson, Beaufort, Bladen, Brunswick, Carteret, Chatham, Columbus, Craven, Cumberland, Duplin, Durham, Greene, Guilford, Harnett, Hoke, Hyde, Johnston, Jones, Lee, Lenoir, Moore, New Hanover, Onslow, Orange, Pamlico, Pender, Pitt, Richmond, Robeson, Sampson, Scotland, Union, Wayne, and Wilson.

SECTION 3.2. Makes various provisions related to repayment of State funds, subrogation, use of historically underutilized businesses, and prohibitions on rebuilding in floodplains from previous Florence legislation applicable to this act.

SECTION 3.3 Makes a technical correction to prior Florence legislation.

EFFECTIVE DATE: Unless otherwise provided, the act is effective when it becomes law.

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2017

S D

SENATE BILL 823
PROPOSED COMMITTEE SUBSTITUTE S823-PCS35384-MMa-12

Short Title: Hurricane Florence/Supplemental Act. (Public)

Sponsors:

Referred to:

November 27, 2018

A BILL TO BE ENTITLED

AN ACT TO PROVIDE ADDITIONAL DISASTER RELIEF IN RESPONSE TO HURRICANE FLORENCE.

The General Assembly of North Carolina enacts:

PART I. APPROPRIATIONS/AVAILABILITY/ALLOCATIONS OF FUNDS FOR HURRICANE FLORENCE DISASTER RELIEF

SECTION 1.1. The appropriations and allocations made in this act are for maximum amounts necessary to implement this act. Savings shall be effected where the total amounts appropriated or allocated are not required to implement this act.

SECTION 1.2. There is appropriated from the Hurricane Florence Disaster Recovery Fund the sum of two hundred ninety-nine million eight hundred thousand dollars ($299,800,000) for the 2018-2019 fiscal year.

SECTION 1.3. The funds appropriated in Section 1.2 of this act in the Hurricane Florence Disaster Recovery Fund created in S.L. 2018-134 shall be allocated as follows:

(1) Twenty-three million five hundred thousand dollars ($23,500,000) to the Department of Public Instruction to be used to repair and renovate facilities of local school administrative units, laboratory schools, and innovative schools damaged by Hurricane Florence, and to repair or replace damaged furnishings and equipment of those facilities.

(2) One million five hundred thousand dollars ($1,500,000) to the Department of Public Instruction to be used to repair or replace food, food nutrition equipment, and food nutrition supplies damaged by Hurricane Florence in local school administrative units, laboratory schools, charter schools, and innovative schools participating in the National School Lunch Program or School Breakfast Program.

(3) Two hundred forty million dollars ($240,000,000) to the Department of Agriculture and Consumer Services, Hurricane Florence Agricultural Disaster Program of 2018, established in Section 5.11 of S.L. 2018-136, as amended by Section 2.5 of this act.

(4) Five million dollars ($5,000,000) to the Office of State Budget and Management for The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, to provide grants to eligible entities capable of making loans to small businesses affected by Hurricane Florence. These funds and funds received by Golden L.E.A.F. pursuant to S.L. 2018-136 shall not be subject to G.S. 143C-6-23(d).



(5) Ten million dollars ($10,000,000) to the Department of Environmental Quality, Division of Marine Fisheries to be used for commercial fishing assistance.

(6) Two hundred fifty thousand dollars ($250,000) to the Department of Environmental Quality, Division of Coastal Management to be used for the nonfederal match to funding provided through the Emergency Watershed Protection (EWP) Program administered by the Natural Resources Conservation Service of the United States Department of Agriculture for the removal of marine debris deposited along the shorelines of state-owned lands. If the Division of Coastal Management does not receive EWP funding, this allocation shall be used as provided in Section 5.12 of S.L. 2018-136.

(7) Fifty thousand dollars ($50,000) to the Wildlife Resources Commission to conduct the study required in this act.

(8) Eighteen million five hundred thousand dollars ($18,500,000) to the Department of Environmental Quality for the Coastal Storm Damage Mitigation Fund. Notwithstanding G.S. 143-215.73M(c), funds allocated by this subdivision may be used to provide no more than fifty percent (50%) of the nonfederal share for a federally funded eligible project, and no more than fifty percent (50%) of the total cost of an eligible project that is not federally funded. For purposes of this subdivision, an "eligible project" is a project that mitigates or remediates coastal storm damage to the ocean beaches and dune systems of the State.

(9) One million dollars ($1,000,000) to the Judicial Department for the replacement of equipment and supplies, contractual services, and additional travel and personnel costs for additional court sessions required as a result of disaster-related courthouse closures.

SECTION 1.4. The availability for Hurricane Florence disaster recovery activities in this act is set out below:

Total Hurricane Florence Disaster Recovery Activities Availability as provided in Section 2.1(b) of S.L. 2018-136	**$**	**849,430,477**
Less Appropriations in S.L. 2018-134	**$**	**56,500,000**
Less Appropriations in S.L. 2018-136	**$**	**398,430,477**
Less Additional FY 2018-19 Appropriations	**$**	**299,800,000**
Unappropriated Balance Remaining	**$**	**94,700,000**

PART II. IMPLEMENTATION OF ACT

TRANSFER OF FUNDS TO THE EDUCATION FUND

SECTION 2.1. Notwithstanding any other provision of law to the contrary, from the funds available in the State Public School Fund for the 2018-2019 fiscal year, the Department of Public Instruction may transfer the sum of up to three hundred fifty thousand dollars ($350,000) from the State Public School Fund to the Education Fund, Budget Code 63501, Fund Code 6116, during the 2018-2019 fiscal year. These funds shall be used solely to support the Florence Aid to Students and Teachers of North Carolina (FAST NC) initiative to assist the State's public schools as students and educators struggle to return to normal following Hurricane Florence and its impact.

PRINCIPAL ADM HOLD HARMLESS

SECTION 2.2.(a) Notwithstanding Section 8.2 of S.L. 2018-5, for purposes of determining the average daily membership of the school supervised by the principal under the 2018-2019 Principal Annual Salary Schedule, the greater of the average daily membership for the school for (i) the 2017-2018 school year or (ii) the 2018-2019 school year shall be used between January 1, 2019, and June 30, 2019.

SECTION 2.2.(b) This act applies only to principals supervising schools that meet both of the following requirements:

(1) The school is located in a county designated under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.

(2) The school was closed for at least 15 school days during the months of September 2018, October 2018, and November 2018 as a result of Hurricane Florence.

EXPAND USE OF FUNDS – UNIVERSITY REPAIR AND RENOVATION

SECTION 2.3. Notwithstanding any provision of S.L. 2018-136 or the Committee Report described in Section 6.1 of that act to the contrary, the funds provided to The University of North Carolina for repair and renovation of capital facilities damaged by Hurricane Florence on the campuses at Wilmington, Pembroke, and Fayetteville may also be used for temporary facility costs associated with damage caused by Hurricane Florence.

DELAY THE BEGINNING OF PEAK SEASON FOR SOIL TESTING BY THE DEPARTMENT OF AGRICULTURAL AND CONSUMER SERVICES

SECTION 2.4.(a) Notwithstanding G.S. 106-22(17), the beginning date for "peak season" as defined in G.S. 106-22(17) for the year 2018 shall be December 15.

SECTION 2.4.(b) This section becomes effective November 30, 2018.

CLARIFY HURRICANE FLORENCE AGRICULTURAL DISASTER PROGRAM

SECTION 2.5.(a) Section 5.11(d) of S.L. 2018-136 reads as rewritten:

"**SECTION 5.11.(d)** To be eligible for financial assistance for losses of agricultural commodities, a person must satisfy all of the following criteria:

(1) The person experienced a verifiable loss of agricultural commodities as a result of Hurricane Florence, and the person's farm is located in a North Carolina county that is or becomes any of the following:

a. Designated under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.

b. Included in either a Secretarial Disaster Declaration for Hurricane Florence issued by the United States Secretary of Agriculture or the Presidential Federal Emergency Management Agency Declaration for Hurricane Florence.

(2) The agricultural commodity was planted but not harvested on or before September 13, 2018, or, for aquaculture commodities, the commodities were being raised on or before September 13, 2018."

SECTION 2.5.(b) Section 5.11 of S.L. 2018-136 is amended by adding a new subsection to read:

"**SECTION 5.11.(j1)** The Department shall report the following data to the Fiscal Research Division no later than 30 days following the conclusion of each quarter:

(1) The number of applicants by type (crops, livestock, nursery).

(2) The number and amount of awards by type (crops, livestock, nursery).

(3) The geographic distribution of the awards.

(4) The reported crop loss by crop type and by county.

(5) The total amount of funding available to the program, the total amount encumbered, and the total amount disbursed to date.

(6) Any refunds made to the program pursuant to subsection (k) of this section."

SECTION 2.5.(c) This section becomes effective October 16, 2018.

ADDITIONAL AUTHORITY FOR AGRICULTURAL IMPACTS OF HURRICANE MICHAEL

SECTION 2.5A. If a county of the State is included in either a Secretarial Disaster Declaration for Hurricane Michael issued by the United States Secretary of Agriculture or a Presidential Federal Emergency Management Agency Declaration for Hurricane Michael and the Commissioner of Agriculture and Consumer Services determines that funds from the Hurricane Florence Agricultural Disaster Recovery Fund that are allocated to the Hurricane Florence Agricultural Disaster program for 2018 are needed to address the impacts of Hurricane Michael in those counties, the Office of State Budget and Management or their designee shall transfer the needed funds from the Hurricane Florence Agricultural Disaster Recovery Fund to the State Emergency Response and Disaster Relief Fund, and the Department of Agriculture and Consumer Services shall expend those funds for the purposes set forth for the Hurricane Florence Agricultural Disaster Fund in Section 5.11 of S.L. 2018-136. Funds transferred under this section are subject to the reporting requirements set forth in Section 5.11(j1) of S.L. 2018-136.

REPURPOSE STREAM DEBRIS REMOVAL FUNDS

SECTION 2.6. Funds allocated to the Department of Agriculture and Consumer Services by S.L. 2016-124 or S.L. 2017-119 for stream debris removal may be transferred to the Hurricane Florence Disaster Recovery Fund and used to fund removal of stream debris deposited by Hurricane Florence. The Department will track and submit a quarterly report to the Fiscal Research Division on funds transferred under the authority granted by this subsection.

COMMERCIAL FISHING ASSISTANCE

SECTION 2.7.(a) Funds allocated by this act for commercial fishing assistance shall be used to reimburse persons holding a Standard Commercial Fishing License, a Retired Standard Commercial Fishing License, or a North Carolina Resident Shellfish License for all or part of the period from September 1, 2018, through November 30, 2018, for reductions in landings demonstrated from trip data ticket or other verified landing compared with average landings over a prior comparable period determined by the Division.

SECTION 2.7.(b) The Division may issue emergency and temporary rules to implement this section and may use up to two and one-half percent (2.5%) of the funds allocated by this subsection for administrative costs, including no more than three temporary positions.

STUDY DERELICT AND ABANDONED VESSELS

SECTION 2.8. The Wildlife Resources Commission shall recommend legislation, including appropriate funding levels, needed (i) to facilitate the identification of owners or other responsible persons for abandoned or derelict vessels for the purpose of requiring those persons to take responsibility for their vessels and (ii) in cases where no responsible owner may be found, to provide the State with the authority to expeditiously remove or otherwise dispose of the abandoned and derelict vessels. In developing its recommendations, the Division shall consult with a technical working group that includes the North Carolina Coastal Federation, the National Oceanic and Atmospheric Administration Marine Debris program, marine salvage industry experts, commercial and recreational boat owners, and other interested stakeholders. The Division shall provide its recommendations no later than March 1, 2019, to the chairs of the House Environment Committee; the House Appropriations, Agriculture and Natural and Economic Resources Committee; the Senate Agriculture/Environment/Natural Resources Committee; the Senate Appropriations Committee on Agriculture, Natural, and Economic Resources; and the Fiscal Research Division.

EXPAND USES FOR CERTAIN WATER RESOURCES FUNDING – HURRICANE MITIGATION

SECTION 2.9. Section 13.9 of S.L. 2018-5 reads as rewritten:

"**SECTION 13.9.(a)** Of the funds appropriated in this act to the Department of Environmental Quality, Division of Water Resources, the sum of five million dollars ($5,000,000) shall be used to provide a grant-in-aid to Resource Institute, Inc., for the purpose of working with ~~coastal local governments~~local governments on Topsail Island and engineering firms to ~~explore opportunities for the development and implementation of emerging techniques~~

~~that can extend the useful life of beach nourishment projects.~~develop, plan, or implement projects intended to mitigate the impacts of future hurricanes on Topsail Island.

"**SECTION 13.9.(b)** On or before October 1, 2019, Resource Institute, Inc., shall submit a report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division. The report shall contain at least all of the following:

(1) A list of participating local governments and engineering firms and other partners in ~~the project.~~projects funded under this section.

(2) A list of projects funded on Topsail Island, including a summary of the costs and the scope of the project.

~~(2)~~(3) A summary of the emerging techniques developed and implemented as a result of the efforts of the collaboration between local governments, engineering firms, and Resource Institute, Inc.

~~(3)~~(4) Documentation of the impact on the resilience of beach nourishment projects and the number of beach nourishment projects assisted."

EXPAND INFRASTRUCTURE FUND ELIGIBILITY

SECTION 2.10. Notwithstanding any provision of S.L. 2018-136 or the Committee Report described in Section 6.1 of that act to the contrary, funds provided to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., and used to provide grants to local governments to repair and replace infrastructure, vehicles and equipment, and facilities may be used to provide grants for similar purposes to organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Golden L.E.A.F. may also provide grants to private nonprofit organizations and established religious organizations to repair and replace places of worship damaged or destroyed by flooding caused by Hurricane Florence.

JUDICIAL BRANCH DISASTER OPERATIONS

SECTION 2.12.(a) G.S. 7A-64(b) reads as rewritten:

"(b) The Director of the Administrative Office of the Courts may provide this assistance only upon a showing by the requesting district attorney supported by ~~facts, that:~~facts that at least one of the following circumstances apply:

(1) Criminal cases have accumulated on the dockets of the superior or district courts of the district beyond the capacity of the district attorney and the district attorney's full-time assistants to keep the dockets reasonably ~~current;~~current.

(2) The overwhelming public interest warrants the use of additional resources for the speedy disposition of cases involving drug offenses, domestic violence, or other offenses involving a threat to public ~~safety; or~~safety.

(3) There is a conflict of interest.

(4) A county within the jurisdiction of the requesting district attorney is subject to a disaster declaration by the Governor pursuant to G.S. 166A-19.3(3)."

SECTION 2.12.(b) G.S. 7A-130 reads as rewritten:

"**§ 7A-130. Creation of district court division and district court districts; seats of court.**

(a) The district court division of the General Court of Justice is hereby created. It consists of various district courts organized in territorial districts. The numbers and boundaries of the districts are as provided by G.S. 7A-133. The district court shall sit in the county seat of each county, and at such additional places in each county as the General Assembly may authorize, except that sessions of court are not required at an additional seat of court unless the chief district judge and the Administrative Officer of the Courts concur in a finding that the facilities are adequate.

(b) Notwithstanding subsection (a) of this section, when exigent circumstances exist within a judicial district, sessions of district court may be conducted at a location outside a county seat by order of the chief district court judge of a county, with the prior approval of the location and facilities by the Administrative Officer of the Courts and after consultation with the clerk of superior court and county officials of the county. An order entered under this subsection shall be

filed in the office of the clerk of superior court in the county and posted at the courthouse within the county seat and notice shall be posted in other conspicuous locations."

SECTION 2.12.(c) G.S. 7A-146 reads as rewritten:

"**§ 7A-146. Administrative authority and duties of chief district judge.**

The chief district judge, subject to the general supervision of the Chief Justice of the Supreme Court, has administrative supervision and authority over the operation of the district courts and magistrates in his district. These powers and duties include, but are not limited to, the following:

...

(9) Assigning magistrates ~~during an emergency~~ to temporary duty outside the county of their residence but within that district pursuant to the policies and procedures prescribed under G.S. 7A-343(11); and, upon the request of a chief district judge of ~~an adjoining~~ another district and upon the approval of the Administrative Officer of the Courts, to temporary duty in the district of the requesting chief district judge pursuant to the policies and procedures prescribed under G.S. 7A-343(11).

...."

SECTION 2.12.(d) G.S. 7A-343 reads as rewritten:

"**§ 7A-343. Duties of Director.**

The Director is the Administrative Officer of the Courts, and the Director's duties include all of the following:

...

(11) Prescribe policies and procedures for the assignment and compensation of magistrates performing temporary duty outside their county of residence ~~during an emergency,~~ as provided for in G.S. 7A-146(9).

...."

REQUIRE DIRECTOR OF THE BUDGET TO DEVELOP PLAN FOR REPLENISHING THE SAVINGS RESERVE

SECTION 2.13. The Director of the Budget shall develop a five-year plan beginning in the 2019-2020 fiscal year for the replenishment of seven hundred fifty-six million five hundred thousand dollars ($756,500,000) transferred from the Savings Reserve to the Hurricane Florence Disaster Recovery Fund. The Director of the Budget shall submit the plan required under this section by March 1, 2019, to the chairs of the House of Representatives Committee on Appropriations, the Senate Appropriations/Base Budget Committee, and the Fiscal Research Division.

REVISE AUDITING REQUIREMENTS FOR HURRICANES MATTHEW AND FLORENCE

SECTION 2.14.(a) Section 5.8 of S.L. 2018-136 reads as rewritten:

"**SECTION 5.8.(a)** Beginning January 1, 2019, the Office of Recovery and Resiliency (Office) shall provide separate quarterly reports to the Director of the Budget, the standing Appropriations Committees of the Senate and the House of Representatives, and the Fiscal Research Division on the use of State disaster recovery and assistance funds expended from the Hurricane Florence Recovery ~~Fund.~~Fund and from the State Emergency Response and Disaster Relief Fund for Hurricane Matthew. The separate reports shall summarize oversight activities and the results achieved as well as all of the following:

(1) Expenditures by program and by source of funds.
(2) Expenditures required to receive federal grants.
(3) Federal funding provided to the State to refund certain federally related spending.
(4) Actual and projected State spending data including time lines and milestones.
(5) State spending data classified by disaster phase to include preparedness, response, mitigation, and recovery.

(6) Total State spending data by agency and by program.
(7) Total State spending by program and county, where practicable.
(8) Location and job responsibilities of all time-limited State positions created under this act or paid for with federal funds received as a result of Hurricane Florence.

"**SECTION 5.8.(b)** In addition to the quarterly reports required under subsection (a) of this section and beginning January 1, 2020, the Office shall provide annual reports that compile the information contained in the quarterly reports. The annual reports shall be submitted to the entities required under subsection (a) of this section.

"**SECTION 5.8.(c)** Each report required by this section shall include information about all funds expended or encumbered pursuant to this act or any other act providing funds to address the impacts of Hurricanes Matthew and Florence as of the date of the report, regardless of which State agency or non-State entity administers the funds. Non-State entities that administer or receive any funds appropriated in this act shall assist and fully cooperate with the Office of Recovery and Resiliency in meeting the Office's obligations under this section."

SECTION 2.14.(b) Section 5.8 of S.L. 2016-124, Section 6 of S.L. 2017-119, and subsection 5.6(g) of S.L. 2018-5 are repealed.

SECTION 2.14.(c) Section 5.19 of S.L. 2018-136 reads as rewritten:

"**SECTION 5.19.** The State Auditor shall conduct a preliminary financial ~~and performance~~ audit of the Hurricane Florence Disaster Recovery Fund created in Section 3.1 of S.L. 2018-134 (Fund) no later than ~~March 1, 2019.~~October 1, 2019, March 1, 2021, and every two years thereafter. The State Auditor shall conduct ~~additional periodic financial and~~ performance audits of the Fund ~~and a~~ every three years with the first performance audit due no later than March 1, 2020. A final financial and performance audit ~~as requested by the Director of the Budget and the General Assembly.~~shall be conducted once all funds are expended, or by March 1, 2025, whichever first occurs."

PART III. APPLICABILITY, SCOPE, LIMITATIONS

SECTION 3.1. Unless otherwise provided, Section 1.3 of this act applies to the North Carolina counties designated under a major disaster declaration by the President of the United States under the Stafford Act (P.L. 93-288) as a result of Hurricane Florence.

SECTION 3.2. Sections 4.2, 4.3, 5.18, 5.21, 5.22, 5.23, 5.24, and 6.1 of S.L. 2018-136 apply to this act and are incorporated by reference.

SECTION 3.3. Section 5.24 of S.L. 2018-136 reads as rewritten:

"**SECTION 5.24.** If a person's home is relocated or purchased with funds from the Hazard Mitigation Grant Program or the State Acquisition and Relocation Fund, the ~~State Emergency Response and Disaster Relief~~ Hurricane Florence Disaster Recovery Fund is subrogated to the person's rights under any insurance coverage for the damage to the home, and any monies received from the insurance coverage shall be paid to the ~~State Emergency Response and Disaster Relief~~ Hurricane Florence Disaster Recovery Fund. The Division of Emergency Management shall ensure that those potentially affected by this section are notified of, and adhere to, its requirements."

PART IV. EFFECTIVE DATE

SECTION 4.1. Except as otherwise provided, this act is effective when it becomes law.

ATTACHMENT 7

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 823

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S823-AMM-57 [v.6]

Amends Title [NO]
S823-PCS353840MMa-12

Date _____ ,2018

Senator _____

moves to amend the PCS on page 4, by rewriting lines 1-12 as follows:

"**SECTION 2.5A.** If a county of the State is included in either a Secretarial Disaster Declaration for Hurricane Michael issued by the United States Secretary of Agriculture or a Presidential Federal Emergency Management Agency Declaration for Hurricane Michael and the Commissioner of Agriculture and Consumer Services determines that funds from the Hurricane Florence Disaster Recovery Fund that are allocated to the Hurricane Florence Agricultural Disaster Program of 2018 are needed to address the impacts of Hurricane Michael in those counties, the Office of State Budget and Management or their designee shall transfer the needed funds from the Hurricane Florence Disaster Recovery Fund to the State Emergency Response and Disaster Relief Fund and the Department of Agriculture and Consumer Services shall expend those funds for the purposes set forth for the Hurricane Florence Agricultural Disaster Program of 2018 in Section 5.11 of S.L. 2018-136. Funds transferred under this section are subject to the reporting requirements set forth in Section 5.11(j1) of S.L. 2018-136.";

and on page 4, line 25, by deleting the word "Division" and substituting "Division of Marine Fisheries.";

and on page 4, line 28, by replacing the phrase "by this subsection" with the phrase "to it by this act"

and on page 4, lines 35-36, by rewriting the lines to read:
"abandoned and derelict vessels. In developing its recommendations, the Commission shall consult with a technical working group that includes the Division of Marine Fisheries, the North Carolina Coastal Federation, the National";

and on page 6, line 9, by rewriting the line to read:
"(9) Assigning magistrates ~~during an emergency~~ when exigent circumstances exist to temporary duty outside the";

And on page 6, line 24, by rewriting the line to read:
"~~during an emergency,~~ when exigent circumstances exist, as provided for in G.S. 7A-146(9).";

and on page 6, line 41, by rewriting the line to read:
"Research Division on the use of ~~State~~ disaster recovery and assistance funds expended from the";

and on page 7, line 12, by rewriting the line to read:
" the impacts of Hurricanes Matthew and Florence, regardless of which";

and on page 7, but inserting the following between lines 27 and 28:
"CONSOLIDATE CBDG-DR FUNCTIONS

SECTION 2.15.(a) Section 5.7(a) of S.L. 2018-136 reads as rewritten:

"SECTION 5.7.(a) The Office of Recovery and Resiliency (Office) is created in the Department of Public Safety. The Office shall execute multi-year recovery and resiliency projects and administer funds provided by the Community Development Block Grant Disaster Recovery ~~program.~~ program for Hurricanes Florence and Matthew. The Secretary may reassign up to 15 existing positions of the Division of Emergency Management to the Office. In addition, the Secretary may create up to 30 new three-year time-limited positions. The reassigned positions assigned to the Office shall retain the employment status of the positions at the time of the reassignment after implementation of this act is completed. The three-year time-limited positions created in this section shall be temporary positions and are exempt from the provision of the State Human Resources Act, Chapter 126 of the General Statutes, except Articles 6 and 7 of that Chapter. The Office will provide general disaster recovery coordination and public information; citizen outreach and application case management; audit, finance, compliance, and reporting on disaster recovery funds; and program and construction management services. The Office shall also contract for services from vendors specializing in housing, construction, and project management services."

SECTION 2.15.(b). Section 5.11 of S.L. 2016-124 reads as rewritten:

"SECTION 5.11.(a) Notwithstanding any other provision of law, all Community Development Block Grant Disaster Recovery Program funds received by the Department of Commerce in response to the declarations and executive orders described in Section 3.1 of this act shall be transferred to the ~~Emergency Management Division~~ Office of Recovery and Resiliency of the Department of Public Safety.

"SECTION 5.11.(b) The ~~Emergency Management Division~~ Office of Recovery and Resiliency shall assist the Department of Commerce in fulfilling any reporting requirements arising from receipt of the Disaster Recovery Program funds described in subsection (a) of this section."".

NORTH CAROLINA GENERAL ASSEMBLY
AMENDMENT
Senate Bill 823

AMENDMENT NO. _____
(to be filled in by
Principal Clerk)

S823-AMM-57 [v.6]

SIGNED _____
Amendment Sponsor

SIGNED _____
Committee Chair if Senate Committee Amendment

ADOPTED _____ FAILED _____ TABLED _____

VISITOR REGISTRATION SHEET **ATTACHMENT 8**

SENATE APPROPRIATIONS/BASE BUDGET

DATE: November 28, 2018

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY AND ADDRESS
1	Reshea Fortson	SEANC
2	David Collias	SRMC
3	Elizabeth Ruf	Walk West
4	[illegible]	Misc
5	[illegible]	
6	Sarah Bahog	Leukemia & Lymphoma Society
7	Henry Lyle	NWC
8	Richard Bostic	NCSBA
9	BRENT LANE	UNC-GA
10	Michelle Frazier	ND
11	Sarah McCullen	KSA
12	[illegible]	KSA
13	Kevin Wilkinson	NCDPI
14	Chloe George	NCDPI
15	James Norment	Ward and Smith, P.A.
16	[illegible]	Ward and Smith, P.A.
17	Will Robinson	The Nature Conservancy

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: November 28, 2018

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY AND ADDRESS
18	Dick Carlton	Law Off of RHC PLLC
19	Seth Cooper	CONNECT C
20	Daniel Unger	Variety Health
21	Henry M Lancaster®	LCA
22	Mary Maxwell-Ashley	SELC
23	Brooks Rainey Pearson	SELC
24	Stephen Kouba	KMA
25	Sue Ann Forest	NCMS
26	Ashton Godwin	NRCS
27	Joe McClees	McClees Consultn
28	Drew Maretz	UNC System
29	Flint Benson	SEANC
30	Tim Wigginton	ARLLC
31		
32		
33		
34		

VISITOR REGISTRATION SHEET

SENATE APPROPRIATIONS/BASE BUDGET

DATE: November 28, 2018

VISITORS: PLEASE SIGN IN BELOW AND RETURN TO COMMITTEE CLERK

	NAME	FIRM OR AGENCY AND ADDRESS
35	Scott Palmer	NCR
36		
37		NCHFA
38		
39		ISP
40		JJC
41		NCDA&CS
42		NCDPS
43		RLA
44	Paul Sherm	NCFB
45		Stevens Lobby
46		Jordan Price
47	Matt Ellwood	NC Justice Cente
48		BP
49		
50		
51		

VISITOR SIGN-UP SHEET

SENATE

APPROPRIATIONS/BASE BUDGET

COMMITTEE

November 28, 2018

11:00 AM

PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY
Mike Spraggberry	NCEM
John Dorman	NCEM
Emily WILKINS	First Pres Durham, NC
Marilyn Hartman	-
Jenny Kotora-Lynch	League of Women Voters
JERRY SCHILL	NC Fisheries Assoc.
Pam Schill	
Bradford Sneeden	NC DOJ
Glenn Skinner	NC Fisheries Assoc.
Tiffany Gadsden	NC Rural Center
Demetrius Delaney	TS
Rhaegan Jackson	Town Council
LAURA PURYEAR	MWC
JOE STEWART	NANC
Carson Vice	Duke Energy
[illegible]	CSS
Crystal T	SA

VISITOR SIGN-UP SHEET

SENATE
APPROPRIATIONS/BASE BUDGET
COMMITTEE
November 28, 2018
11:00 AM

PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY
Tiffany Gladney	NC Rural Center
Demetrius Deloatch	TS
Rhaegan Jackson	FOCUS Carolina
Matt Gross	DHHS
Tonya Hafon	OSHR
Brad Young	DOA
John Harrison	MFS
Will Morgan	MFS
JEFF BARNHART	MWC
Laura Barnhart	NCGeorge
Lex Jones	DNCR
Daniel Smith	NC Agriculture
Kathleen Rice	NC BVCA

VISITOR SIGN-UP SHEET

SENATE
APPROPRIATIONS/BASE BUDGET
COMMITTEE
November 28, 2018
11:00 AM

PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY
Tom BEAN	CDF, NCSEA, NCWF
Meggan Pavette	NCPTA
Josh Lanier	CCH
Shrikar Nunna	NCDEQ
C Edwards	
John Lucey	NC DEQ.
Connie Wilson	Taxpayer
Heather Redding	
Kari Barkley	BPS
Rochelle Spruill	CFSA

VISITOR SIGN-UP SHEET

SENATE
APPROPRIATIONS/BASE BUDGET
COMMITTEE
November 28, 2018
11:00 AM

PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY
Kasey Ginsberg	Golden LEAF

SPEAKER SIGN-UP SHEET **ATTACHMENT 9**

SENATE
APPROPRIATIONS/BASE BUDGET
COMMITTEE
November 28, 2018
11:00 AM

PLEASE SIGN IN BELOW

NAME	FIRM OR AGENCY
Commissioner Troxler	NCDA&CS
JERRY SCHILL	NC Fisheries Assoc.
Emily WILKINS	First Pres. Church Durham
Bob Ford	NC Poultry
~~Benjamin~~ Jones	Lutheran Disaster Response

DeCon

"ELCA"