




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

PAT MCCRORY
GOVERNOR

LEE HARRISS ROBERTS
STATE BUDGET DIRECTOR

April 23, 2015

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

FROM: Lee Harriss Roberts, State Budget Director 

SUBJECT: Budget Deviation for Office of State Human Resources

Office of State Human Resources – Temporary Solutions

G.S. 126.3 authorizes the Office of State Human Resources to establish human resources programs as needed for State agencies and employees. Temporary Solutions was established in 1986 by the Office of State Human Resources to provide temporary staffing services for North Carolina State Government agencies. Executive Order #4 of February 27, 2013 required cabinet agencies and encouraged all Council of State agencies to use Temporary Solutions to fill their workforce needs due to illnesses, vacations, peak production levels, and other instances when workloads demand more staff. The Order prompted an increase of 91% in budgeted requirements and receipts for Temporary Solutions from FY 2012-13 to FY 2013-14 and is on pace to produce an increase of 48% from FY 2013-14 to FY 2014-15. The increased demand for Temporary Solutions services in FY 2014-15 is primarily comprised of additional virtual teachers for the Department of Public Instruction and additional temporary staff within the Department of Public Safety.

The request for additional budget authority in the amount of \$21,250,000 exceeds the three percent (3%) threshold, and is therefore submitted for consultation with the Joint Legislative Commission on Governmental Operations.

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

(b1) Prior consultation with Governmental Operations is required when the overexpenditure would cause a department's total requirements for a fund to exceed the department's certified budget for a fiscal year for that fund by more than three percent (3%) prior to authorizing the overexpenditures.

DEPARTMENT:	Administration	Temporary Solutions
FISCAL YEAR:	FY 2014-2015	
Date:	21-Apr-15	
Budget Revision #:	12-0192	

Budget Code	Certified Requirements	3% Deviation Threshold	Amount of the Overexpenditure Request	Amount the Request Exceeds the Deviation Threshold
74100	\$ 103,747,659	\$ 3,112,430	\$ 21,250,000	\$ 18,137,570
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Fund Type Total	\$ 103,747,659	\$ 3,112,430	\$ 21,250,000.00	\$ 18,137,570

JUSTIFICATION FOR REQUEST:

On February 27, 2013 Governor McCrory signed Executive Order No. 4, directing that "all departments and agencies which utilize temporary employees shall employ them through the Temporary Solutions Program which is administered by the Office of the State Human Resources or a similar temporary employment service approved by the State Human Resources Director." This order also encouraged the Council of State departments and the University of North Carolina System to employ temporarys in the same manner. Anticipating additional business volume, Temporary Solutions received a \$25,673,033 recurring receipt increase and a \$21,918,668 requirements increase in the FY 2014-15 budget. Even with the increase in budgeted requirements, actual agency use of Temporary Solutions service in FY 2014-15 has increased more and caused requirements to exceed current budget authority. The Office of State Human Resources, Temporary Solutions Division requests approval of \$21.3 million in additional budget authority based on higher than anticipated fourth quarter business volume and in an increase in use of temporary services by the following agencies in FY 2014-15:

1. The Department of Public Instruction has added 794 virtual teachers to Temp Solutions business volume, generating \$14,000,000 in additional requirements and receipts.
2. The Department of Public Safety increased their temporary staff by 206% in FY 2014-15, generating \$4,970,250 in additional requirements and receipts.
3. The Department of Environmental and Natural Resources increased their temporary staff by 557% in FY 2014-15.

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

<u>1. Department</u>	Department of Administration
<u>2. Fiscal Year</u>	FY 2014-2015
<u>3. Date</u>	21-Apr-15
<u>4. Budget Revision #</u>	12-0192
<u>5. Budget Code</u>	74100
<u>6. Certified Requirements</u>	\$ 103,747,659
<u>7. 3% Deviation Threshold</u>	\$ 3,112,430
<u>8. Amount of the Overexpenditure Request</u>	\$ 21,250,000
<u>9. Amount Over Deviation Threshold</u>	\$ 18,137,570

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