



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

**PAT MCCRORY**  
GOVERNOR

**ANDREW T. HEATH**  
STATE BUDGET DIRECTOR

March 24, 2016

**MEMORANDUM**

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

**FROM:** Andrew T. Heath  
State Budget Director

A handwritten signature in black ink, appearing to read "Andrew T. Heath".

**SUBJECT:** DPI Budget Deviation

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

Please see the attached report for the Department of Public Instruction.

If there are questions, you may contact Assistant State Budget Officer for Education Adam Brueggemann by dialing (919) 807-4715.

Thank you.

**cc:** Adam Brueggemann  
Chloe Gossage  
Nate Knuffman  
Nick Goettsch  
Mark Trogdon

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

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

**DEPARTMENT:** NCDPI  
**FISCAL YEAR:** 2015-2016  
**Date:** 1/8/2016  
**Budget Revision #:** #12-0235 and #12-0002

Budget Code	Certified Requirements	3% Deviation Threshold	Amount of the Overexpenditure Request	Amount the Request Exceeds the Deviation Threshold
13510	\$ 12,765,966,993	\$ 382,979,010	\$ 416,412,132	\$ 33,433,122
73510	\$ 98,547,555	\$ 2,956,427	\$ 58,246,311	\$ 55,289,884
<b>Fund Type Total</b>		\$ -	\$ -	\$ -

**JUSTIFICATION FOR REQUEST:**

(1)DPI requests to deviate due to the receipt of Federal grant funds (Title I Basic) for budget code 13510. Revision #12-0235 requests new grant funding for 2015-2016 of \$416,412,132 (Awarded by USDE). The Title I Basic Grant's purpose is to provide funding to supplement and provide special help to educationally deprived children from low-income families. Awards are determined by formula and awarded in lengths up to 27 months. This revision will be adjusting the authorized budget to actual amount available to spend for the remainder of the grant. Title I Basic grant funds are received on an annual basis and this transaction, while not always causing a deviation, also occurs on an annual basis.

(2)DPI requests to deviate due to the appropriation of textbook funding for 2015-2016 for budget code 73510 #12-0002 606 requests budget of \$58,246,311. Funds are certified in budget code 13510 and then transferred to budget code 73510 in order to allow for local education agencies to purchase State Board of Education approved textbooks through DPI. This revision also budgets available fund balance. These transaction occurs on an annual basis.