

**Conference Committee Report**  
**Session Law 2017-57 (S. B. 257), 2017 Appropriations Act**  
**Selected Highlights for General Government**

The FY 2017-18 budget for General Government agencies include net appropriations of \$409.6 million, which is approximately \$25.3 million (6.6%) above the FY 2017-18 base budget and \$414.9 million for FY 2018-19 which is \$30.4 million (8%) above the FY 2018-19 base budget.

The following selected General Government highlights may be found in **Section J** of the 2017 Conference Committee Report (page and item numbers noted); selected special provisions may be found in **Sections 19 through 33** of S.L. 2017-57 (section references are noted):

**Department of State Treasurer**  
Conference Committee Report

- Provides \$169,000 in receipts for the rental of the complex for the Department of State Treasurer, located on Atlantic Avenue. **(J 7, #5)**
- Provides \$431,096 for 4 new accounting and internal auditor positions to assist with accountability of Department of State Treasurer resources. **(J 7 and J 8, #7 and #8)**
- Eliminates \$5,688,712 from the base budget within the Investment Management Division, and increases receipts to fund Division positions. **(J 8, #9)**
- Provides \$600,000 in receipts to assist local governments in accounting and financial management. **(J 8, #10)**

**Fire Rescue National Guard Pensions & Line-of-Duty Death Benefits**  
Conference Committee Report

- Provides \$216,500 to add esophageal cancer as one of the eligible diseases that is payable from the Line of Duty Death Benefits. **(J 15, #14; Sec. 21.1)**

**Department of Military and Veterans Affairs**  
Conference Committee Report

- Provides \$2.0 million in FY 2017-18 for community's investment efforts to sustain and maintain North Carolina's military programs and activities. **(J 21, #18; Sec. 19.1)**
- Provides \$566,000 for grants-in-aid supporting military and veterans' projects activities. **(J 22, #19-20 and #22)**
- Provides \$536,443 to increase the scholarship allowance given to children of veterans killed or disabled during wartime. **(J 22, #21)**

Provisions from S.L. 2017-57

- Amends S.L. 2015-241, Sec. 24.1A, by removing the North Carolina Military Affairs Commission from direct oversight by the Department of Military and Veterans Affairs. Additionally, this amends G.S. 143B-1311 by disallowing Commission

members who are also House or Senate members from voting on matters that expend funds appropriated by the General Assembly. **(Sec. 19.1)**

- Amends G.S. 143B-1224 to include individuals who are currently serving in a second or subsequent enlistment for eligibility for the children of war veterans' scholarships. Also amends G.S. 143B-1226 to require the Department of Military and Veterans Affairs to consider scholarship applicants for all classes of scholarships. **(Sec. 19.2)**

#### Provisions from S.L. 2017-197

- Directs the Office of State Budget and Management to realign the budget for Budget Code 23050 to include the positions for the Goldsboro Cemetery. Also directs the Department of Military and Veterans Affairs to not close any State veterans' cemeteries and to use several means of financial support to keep them operational. **(Sec. 6.1)**

### **Department of Insurance (DOI)**

#### Conference Committee Report

- Provides \$480,959 for the lease increase for the Albemarle Building. **(J 28, #26)**
- Provides \$309,292 for 3 FTE to work in the oversight and development of the Captives insurance market. **(J 29, #27)**
- Eliminates the transfer of \$193,138 to the Department of Administration to support 2 engineer positions. Also eliminates the transfer of \$456,580 from Special Fund 23900 to support 6 FTE positions within the Department of Administration. **(J 29 and J 32, #30; Sec. 22.2; S.L. 2017-197, Sec. 6.2)**
- Provides \$135,298 to create 2 FTE within the Office of the State Fire Marshal to investigate suspicious fires. **(J 30, #33; Sec. 22.4)**
- Provides \$2.4 million to create up to 30 FTE to work within the Criminal Investigations Division to investigate insurance fraudulent activities. **(J 30, #34)**
- Appropriates \$5.4 million through a transfer of the North Carolina Industrial Commission from the Department of Commerce. **(J 31, #35)**

#### Provisions from S.L. 2017-57

- Maintains the Insurance Regulatory Charge at 6.5% for the 2018 calendar year. **(Sec. 22.2)**
- Includes a board-certified behavioral analyst in the list of professionals eligible to provide autism spectrum disorder services. **(Sec. 22.3)**
- Directs the Department of Insurance to study the creation of a State-based health insurance high risk pool in the event of federal changes to the Patient Protection and Affordable Care Act. **(Sec. 22.5)**

### **General Assembly**

#### Conference Committee Report

- Provides \$325,000 in receipts to create up to 14 positions and establish a security team. **(J 47, #45; Sec. 26.5)**
- Provides \$593,912 for replacement furniture. **(J 47, #46)**

- Provides \$1.7 million in receipts to realign the structural budget issue associated with temporary and permanent position changes. (**J 47, #47; Sec. 26.5**)
- Provides \$150,000 to the Program Evaluation Division to conduct a measurability assessment and efficiency study of the Department of Administration. (**J 47, #48; Sec. 24.1**)
- Transfers \$2.0 million from Special Fund 21000 to the General Assembly's operating budget. (**J 48**)

### **Office of the Governor**

#### Conference Committee Report

- Reduces the budget by \$979,205. (**J 55, #52; Sec. 26.7**)

### **Office of State Budget and Management (OSBM)**

#### Conference Committee Report

- Provides \$100,000 to work with the Pew-MacArthur Results First Framework Initiative to implement an evidence-based policy making model for developing policy and budget decisions. (**J 68, #58; Sec. 26.3**)
- Transfers \$19.0 million to the Department of Health and Human Services for the purpose of expanding inpatient capacity in rural areas and provides startup funds to establish new child facility-based crisis centers. (**J 70**)

### **Office of State Budget and Management Special**

#### Conference Committee Report

- Provides an additional \$10.8 million for local governments and non-State entities for various projects including school improvements, a community shelter, historical renovations, children's programs, and other local efforts. (**J 77-80, #59-82**)

#### Provisions from S.L. 2017-57

- Exempts certain special appropriations from S.L. 2016-94, 2016 Appropriations Act, from reversion and modifies the recipient and/or scope of certain grants-in-aid. (**Sec. 26.1**)
- Directs Carolina Ballet, Inc. to raise \$100,000 in non-State funds in order to receive \$100,000 in State funds for FY 2017-18. (**Sec. 26.6**)

### **Department of Revenue**

#### Conference Committee Report

- Eliminates 5 vacant positions in Documents and Payments Processing saving \$195,750. (**J 88, #86**)
- Provides \$36.9 million for the collections case management system development, identity theft and tax fraud analysis project, and the modernize e-file and tax systems operations. (**J 89-91; Sec. 32.2**)

## **Office of the State Controller (OSC)**

### Conference Committee Report

- Authorizes an increase in receipts from the Federal Income Contribution Act (FICA) and reduces General Funds available for OSC by \$2.7 million nonrecurring in FY 2017-18 and \$734,632 nonrecurring in FY 2018-19. **(J 100 and J 98, #90)**
- Reduces the amount of funds for leased space due to a renegotiated contract by \$266,029 recurring and \$182,996 nonrecurring. **(J 99, #91)**
- Provides an additional \$382,404 recurring to fund increases in service contracts including for the North Carolina Accounting System, Cash Management System, HR/Payroll System and others that support OSC. **(J 99, #92)**

## **Office of Administrative Hearings (OAH)**

### Conference Committee Report

- Funds an additional Civil Rights Investigator position and start-up costs associated with the position effective January 1, 2018. **(J 108, #97)**
- Transfers the Human Relations Commission to OAH's Civil Rights Division from the Department of Administration as a Type I transfer. **(J 108, #98; Sec. 31.1)**

### Provisions from S.L. 2017-57

- Directs the Department of Public Instruction to transfer \$50,000 to OAH to pay for litigation costs relating to the North Carolina State Board of Education's lawsuit against the State of North Carolina and the Rules Review Commission. **(Sec. 20.1)**

## **Department of Administration (DOA)**

### Conference Committee Report

- Transfers the Human Relations Commission to OAH's Civil Rights Division from the Department of Administration as a Type I transfer. Also eliminates the Director and Administrative Assistant I positions. **(J 114-115, #103-105; Sec. 31.1)**
- Provides \$734,642 for the funding of 8 positions within the State Construction Office that had previously been paid for by the Department of Insurance. Also directs the Office of State Budget and Management to build this funding into the base budget beginning in FY 2019-21. **(J 117, #111; Sec. 26.4)**

### Provisions from S.L. 2017-57

- Directs DOA and the Council for Women to expedite contracts to grantees in order to disburse funds in a faster manner. **(Sec. 31.2)**
- Directs DOA and the Motor Fleet Division to make changes to the fee structure that agencies pay for their vehicles leased from Motor Fleet. Also directs the Office of State Budget and Management to build into the FY 2019-21 base budget any increases related to the fee changes for agencies. **(Sec. 31.3)**

## **Housing Finance Agency (HFA)**

Conference Committee Report

- Provides \$20.0 million to the Workforce Housing Loan Program through a combination of receipt funding from the Moody's Settlement and State appropriations. Also changes the caps to projects in counties; the new caps are \$2.0 million in a low-income county, \$1.5 million in a moderate-income county, and \$250,000 in a high-income county. **(J 123, #113; Sec. 28.1)**

**Lieutenant Governor**

Conference Committee Report

- Provides funding for a new Administrative Assistant I position. **(J 132, #118)**

**Office of the State Auditor**

Conference Committee Report

- Provides an additional \$200,000 nonrecurring for subject matter experts for audits. **(J 145, #127)**