

**THE JOINT CONFERENCE COMMITTEE REPORT
ON THE
CONTINUATION, EXPANSION,
AND CAPITAL BUDGETS**

Senate Bill 744

North Carolina General Assembly

July 30, 2014

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General Fund Availability Statement

	FY 2014-15
1 Unappropriated Balance Remaining from FY 2013-14	323,693,704
2 Anticipated Undercollections from FY 2013-14	(452,600,000)
3 Anticipated Reversions from FY 2013-14	396,275,923
4	
5 Less Earmarkings of Year End Fund Balance	
6 Savings Reserve	0
7 Repairs and Renovations	0
8 Beginning Unreserved Fund Balance	267,369,627
9	
10 Revenues Based on Existing Tax Structure	19,972,100,000
11	
12 Non-tax Revenues	
13 Investment Income	11,300,000
14 Judicial Fees	244,500,000
15 Disproportionate Share	109,000,000
16 Master Settlement Agreement	137,500,000
17 Other Non-Tax Revenues	195,500,000
18 Insurance	77,000,000
19 Highway Fund Transfer	215,900,000
20 Subtotal Non-tax Revenues	990,700,000
21	
22 Total General Fund Availability	21,230,169,627
23	
24 Adjustments to Availability: 2014 Session	
25 Transfer to Medicaid Contingency Reserve	(186,372,673)
26 Transfer from Cash Balances from Department of Agriculture and Consumer Services Special Funds	1,449,680
27 Transfer from IDF Utility Account	5,000,000
28 Transfer of Interest from Department of Environment and Natural Resources (DENR) Special Funds	793,095
29 Diversion of Funds from DENR Inspection and Maintenance Control Special Fund	3,300,000
30 Diversion of Funds from DENR Water and Air Account Special Fund	1,000,000
31 Transfer from Federal Insurance Contribution Act (FICA) Fund Cash Balance	5,255,000
32 Transfer from Government Data Analytics Center (GDAC) Cash Balance	1,500,000
33 Transfer from Blount Street Properties Fund Cash Balance	5,456,787
34 Transfer from E-Commerce Fund Cash Balance	2,130,000
35 Adjustment of Transfer from Insurance Regulatory Fund	(291,302)
36 Adjustment of Transfer from Treasurer's Office	2,659,931
37 Increase from ABC Permit Fees	9,600,000
38 Four-year Phaseout of Provision of Medicaid Hold Harmless Law Guaranteeing Counties \$500,000 Benefit	5,990,000
39 Redirection of Funds from Gross Premiums Tax on Property Coverage Contracts to General Fund (S.L. 2014-64)	1,600,000
40 Sales Tax on Manufactured and Modular Homes	(4,700,000)
41 Piped Natural Gas Sales Tax Phase-in (S.L. 2014-39)	(2,430,000)
42	
43 Subtotal Adjustments to Availability: 2014 Session	(148,059,482)
44	
45 Revised General Fund Availability	21,082,110,145
46	
47 Less: General Fund Appropriations	(21,082,110,145)
48	
49 Unappropriated Balance Remaining	0

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SUMMARY:

**GENERAL FUND
APPROPRIATIONS**

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Summary of General Fund Appropriations						
Fiscal Year 2014-15						
2014 Legislative Session						
		Legislative Adjustments				Revised
	Enacted Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2014-15	Adjustments	Adjustments	Changes	Changes	2014-15
Education:						
Community Colleges	1,016,487,467	24,423,804	0	24,423,804	0.00	1,040,911,271
Public Education	8,046,101,622	5,844,212	53,030,774	58,874,986	0.00	8,104,976,608
University System	2,599,901,709	34,060,366	(4,579,138)	29,481,228	(2.80)	2,629,382,937
Total Education	11,662,490,798	64,328,382	48,451,636	112,780,018	(2.80)	11,775,270,816
Health and Human Services:						
Central Management and Support	76,301,328	(5,396,528)	2,000,000	(3,396,528)	1.00	72,904,800
Aging and Adult Services	54,342,341	(969,549)	100,000	(869,549)	0.00	53,472,792
Blind and Deaf / Hard of Hearing Services	8,178,618	0	0	0	0.00	8,178,618
Child Development and Early Education	254,314,609	(1,893,496)	(28,784,759)	(30,678,255)	(1.00)	223,636,354
Health Service Regulation	16,411,479	(288,000)	0	(288,000)	0.00	16,123,479
Medical Assistance	3,608,119,091	(56,536,746)	136,965,778	80,429,032	0.00	3,688,548,123
Mental Health, Dev. Disabilities, & Sub. Abuse Services	704,985,988	(8,323,653)	(16,598,589)	(24,922,242)	(7.00)	680,063,746
NC Health Choice	57,747,933	(15,813,961)	0	(15,813,961)	0.00	41,933,972
Public Health	141,941,587	176,620	(5,782,163)	(5,605,543)	(7.00)	136,336,044
Social Services	176,558,432	11,081,105	1,125,750	12,206,855	9.00	188,765,287
Vocational Rehabilitation	38,773,169	(575,336)	0	(575,336)	(11.95)	38,197,833
Total Health and Human Services	5,137,674,575	(78,539,544)	89,026,017	10,486,473	(16.95)	5,148,161,048
Justice and Public Safety:						
Public Safety	1,690,014,006	55,574,908	(4,390,563)	51,184,345	95.50	1,741,198,351
Judicial	456,426,252	7,466,820	0	7,466,820	0.00	463,893,072
Judicial - Indigent Defense	111,357,264	335,967	0	335,967	0.00	111,693,231
Justice	82,308,926	(32,665,102)	(300,000)	(32,965,102)	(391.50)	49,343,824
Total Justice and Public Safety	2,340,106,448	30,712,593	(4,690,563)	26,022,030	(296.00)	2,366,128,478
Natural And Economic Resources:						
Agriculture and Consumer Services	115,409,902	(503,213)	2,161,417	1,658,204	0.00	117,068,106
Commerce	56,733,282	(2,242,255)	31,297,064	29,054,809	(1.00)	85,788,091
Commerce - State Aid	15,624,767	79,473	1,750,000	1,829,473	0.00	17,454,240
Environment and Natural Resources	157,767,236	3,769,002	(2,234,182)	1,534,820	(13.22)	159,302,056
Labor	16,696,339	(145,889)	0	(145,889)	0.00	16,550,450
Wildlife Resources Commission	14,476,588	(1,313,319)	(2,000,000)	(3,313,319)	0.00	11,163,269
Total Natural and Economic Resources	376,708,114	(356,201)	30,974,299	30,618,098	(14.22)	407,326,212

**Summary of General Fund Appropriations
Fiscal Year 2014-15
2014 Legislative Session**

	Enacted Budget 2014-15	Legislative Adjustments			FTE Changes	Revised Appropriation 2014-15
		Recurring Adjustments	Nonrecurring Adjustments	Net Changes		
General Government:						
Administration	67,047,033	(1,764,816)	0	(1,764,816)	(9.00)	65,282,217
Auditor	11,217,468	154,799	0	154,799	0.00	11,372,267
Cultural Resources	63,008,100	688,852	0	688,852	(4.00)	63,696,952
Cultural Resources - Roanoke Island	450,000	(9,000)	0	(9,000)	0.00	441,000
General Assembly	51,634,767	862,927	(400,000)	462,927	0.00	52,097,694
Governor	7,172,132	(35,621)	80,866	45,245	0.00	7,217,377
Housing Finance Agency	8,411,632	(169,678)	10,000,000	9,830,322	0.00	18,241,954
Insurance	38,003,624	(291,302)	0	(291,302)	(7.80)	37,712,322
Lieutenant Governor	675,089	(3,782)	0	(3,782)	0.00	671,307
Office of Administrative Hearings	5,027,130	37,818	0	37,818	0.00	5,064,948
Revenue	80,896,458	(1,517,149)	0	(1,517,149)	(10.00)	79,379,309
Secretary of State	11,575,183	25,523	0	25,523	(2.00)	11,600,706
State Board of Elections	5,693,244	160,815	0	160,815	3.00	5,854,059
State Budget and Management	7,534,217	(52,626)	0	(52,626)	(1.00)	7,481,591
State Budget and Management -- Special	1,520,000	(20,000)	175,000	155,000	0.00	1,675,000
State Controller	28,710,691	(332,152)	130,000	(202,152)	(4.75)	28,508,539
Treasurer - Operations	7,026,305	2,607,991	51,940	2,659,931	10.00	9,686,236
Treasurer - Retirement / Benefits	23,179,042	(1,694,768)	0	(1,694,768)	0.00	21,484,274
Total General Government	418,782,115	(1,352,169)	10,037,806	8,685,637	(25.55)	427,467,752
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	723,721,279	(3,746,442)	0	(3,746,442)	0.00	719,974,837
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	725,337,659	(3,746,442)	0	(3,746,442)	0.00	721,591,217
Statewide Reserves:						
Salary Adjustment Reserve	7,500,000	0	0	0	0.00	7,500,000
State Health Plan Contribution	89,000,000	(22,000,000)	0	(22,000,000)	0.00	67,000,000
State Retirement System Contributions	36,000,000	0	0	0	0.00	36,000,000
Reserve for Future Benefit Needs	56,400,000	(56,400,000)	0	(56,400,000)	0.00	0
Judicial Retirement System Contributions	1,000,000	0	0	0	0.00	1,000,000
Firemen's and Rescue Squad Workers' Pension Fund	(820,000)	0	0	0	0.00	(820,000)
Information Technology Fund	10,470,657	679,488	6,505,000	7,184,488	0.00	17,655,145
Information Technology Reserve Fund	31,582,485	270,067	(11,612,485)	(11,342,418)	0.00	20,240,067

Summary of General Fund Appropriations						
Fiscal Year 2014-15						
2014 Legislative Session						
		Legislative Adjustments				Revised
	Enacted Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2014-15	Adjustments	Adjustments	Changes	Changes	2014-15
NC Government Efficiency and Reform Project	2,000,000	0	0	0	0.00	2,000,000
One North Carolina Fund	9,000,000	0	(7,144,263)	(7,144,263)	0.00	1,855,737
Unemployment Insurance (UI) Reserve	13,600,000	0	0	0	0.00	13,600,000
Reserve for Voter ID	1,000,000	0	0	0	0.00	1,000,000
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Reserve for Pending Litigation/Legislation	4,500,000	0	1,500,000	1,500,000	0.00	6,000,000
NCGA Litigation Reserve	0	0	300,000	300,000	0.00	300,000
Disability Income Plan	0	(3,200,000)	0	(3,200,000)	0.00	(3,200,000)
Job Development Investment Grants (JDIG)	63,045,357	0	(15,571,684)	(15,571,684)	0.00	47,473,673
Subtotal Statewide Reserves	329,278,499	(80,650,445)	(26,023,432)	(106,673,877)	0.00	222,604,622
Total Reserves and Debt Service	1,054,616,158	(84,396,887)	(26,023,432)	(110,420,319)	0.00	944,195,839
Total General Fund for Operations	20,990,378,208	(69,603,826)	147,775,763	78,171,937	(355.52)	21,068,550,145
Capital Improvements						
National Guard Projects	3,250,000	0	0	0	0.00	3,250,000
Samarkand Training Facility	5,173,000	0	(5,173,000)	(5,173,000)	0.00	0
Water Resources Development Projects	0	0	5,810,000	5,810,000	0.00	5,810,000
Museum of History Expansion	0	0	1,500,000	1,500,000	0.00	1,500,000
ASU Health Sciences Building - Planning	0	0	3,000,000	3,000,000	0.00	3,000,000
Total Capital Improvements	8,423,000	0	5,137,000	5,137,000	0.00	13,560,000
Total General Fund Budget	20,998,801,208	(69,603,826)	152,912,763	83,308,937	(355.52)	21,082,110,145

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EDUCATION
Section F

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Public Education

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$8,046,101,622

Legislative Changes

A. Reserve for Salaries & Benefits

<p>1 Compensation Increase Reserve - Educators</p> <p>Provides funds for a new teacher salary schedule as well as an experience-based step for all step-eligible educators. The new schedule increases the pay of all educators to at least \$33,000 annually. This new schedule for all educators provides, on average, a 7% salary increase assuming that local supplements remain the same, there is no turnover, and there are no changes to educator educational attainment or certifications. Funds are provided for a \$1,000 salary bonus for educators at the top of the salary schedule who would not otherwise receive a salary increase. A corresponding provision in the Compensation of Public School Employees part of the Appropriations Act provides additional information on this item.</p>	<p>\$275,514,319</p> <p>\$6,764,338</p>	<p>R</p> <p>NR</p>
<p>2 Accrued Longevity Reserve - Educators</p> <p>Provides funding for accrued longevity pay as directed by section 9.1 of the Appropriations Act.</p>	<p>\$24,299,233</p>	<p>NR</p>
<p>3 Compensation Increase Reserve - School-based Administrators</p> <p>Provides funds for salary schedule changes and an experience-based step for all step-eligible school-based administrators. In addition, funds are provided for a nonrecurring salaries and benefits bonus of \$1,000 (\$809 salary increase) for all school-based administrators who do not receive a salary increase on this schedule. A corresponding provision in the Compensation of Public School Employees part of the Appropriations Act provides additional information on this item.</p>	<p>\$5,818,632</p> <p>\$133,410</p>	<p>R</p> <p>NR</p>
<p>4 Compensation Increase Reserve - Non-certified and Central Office Personnel</p> <p>Provides a \$618 recurring salary and benefit increase (\$500 salary increase) for permanent full-time non-certified and central office personnel.</p>	<p>\$32,635,439</p>	<p>R</p>

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5 Compensation Increase Reserve - Department of Public Instruction (DPI) \$1,652,844 R
 Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees and funds the salary increase required by the Teacher Salary Schedule for State agency teachers.

6 State Retirement System Contributions - School District Personnel \$26,455,623 R
 Increases the State’s contribution to the Teachers’ and State Employees’ Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

7 State Retirement System Contributions - DPI \$226,087 R
 Increases the State’s contribution to the Teachers’ and State Employees’ Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

B. Technical Adjustments

8 Average Daily Membership (ADM) (Multiple) (\$37,453,734) R
 Revises projected ADM for FY 2014-15 to reflect 6,286 fewer students than originally projected. The adjustment includes revisions to all position, dollar, and categorical allotments.

Total allotted ADM for FY 2014-15 is 1,520,305, an increase of 10,320 students over FY 2013-14.

9 Average Certified Personnel Salaries (Multiple) (\$64,923,926) R
 Revises budgeted funding for certified personnel salaries based on actual salary data from December 2013. The adjustment does not reduce any salary paid to certified personnel, nor does it reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.

10 ADM Adjustment: Opportunity Scholarships (1800) \$11,797,941 R
 Provides funding to eliminate the ADM Adjustment for Opportunity Scholarships.

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<p>11 Education Lottery Receipts: Classroom Teachers (1800) Adjusts the receipts budgeted for the Classroom Teachers allotment to reflect an updated distribution between Lottery-supported programs.</p>	<p>(\$33,942,997) R</p>
<p>12 Education Lottery Receipts: Teacher Assistants (1800) Budgets Lottery receipts into the Teacher Assistants allotment and takes an equivalent reduction to the allotment's General Fund support.</p>	<p>(\$113,318,880) R</p>
<p>13 Exceptional Children Headcount (1860) Adjusts funding budgeted for the Children with Disabilities preschool and school-age allotments to reflect actual student headcount. The enacted FY 2014-15 budget included anticipated growth based on the projected headcount of children with disabilities. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2014 headcount and does not reduce funding per student.</p>	<p>(\$5,327,241) R</p>
<p>14 Civil Penalties (1800) Increases budgeted receipts from Civil Penalties and takes corresponding General Fund reductions. The nonrecurring reduction reflects actual overrealized receipts in FY 2013-14, while the recurring reduction reflects an increased estimate of anticipated FY 2014-15 receipts.</p>	<p>(\$4,000,000) R (\$7,572,230) NR</p>
<p>C. Public School Funding Adjustments</p>	
<p>15 Excellent Public Schools Act (Multiple) Provides additional funds to the Department of Public Instruction to carry out elements of the Excellent Public Schools Act contained in Section 7A.1 and Section 7A.7 of S.L. 2012-142. DPI will have \$38.0 million available to implement these requirements.</p>	<p>\$6,015,859 R</p>
<p>16 Classroom Teachers (1800) Decreases class size funding allocations by 1 student in both Kindergarten and Grade 1. The new Kindergarten allotment ratio will be 1 guaranteed teaching position for every 18 students in membership, an increase of 359 positions. The new Grade 1 allotment ratio will be 1 guaranteed teaching position for every 17 students in membership, an increase of 402 positions. This expansion, combined with other class size modifications made in S.L. 2013-360, will lower the FY 2014-15 teacher allotment ratios in Grades K-3 by 1 student per teacher as compared to the FY 2013-14 ratios. \$3.80 billion is budgeted in total for this allotment.</p>	<p>\$41,932,566 R</p>

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<p>17 Excellent Public Schools Act - Five Extra Days (Multiple) Eliminates funding that had been provided to support a requirement that local education agencies (LEAs) provide additional instructional days (S.L. 2011-145, Section 7.29). A subsequent amendment to G.S. 115C-84.2.(a)(1) eliminated this mandate. Funding had previously supported \$40,168 for additional costs related to substitute teachers and \$351,469 for additional costs related to student transportation.</p>	<p>(\$391,637) R</p>
<p>18 Education-Based Salary Supplements Restoration (1800) Provides additional funding necessary to restore education-based salary supplements for master's, advanced or doctoral degrees for certain personnel, as directed in a corresponding special provision.</p>	<p>\$18,700,000 R</p>
<p>19 School Bus Replacement (1830) Reduces this allotment supporting the purchase of replacement school buses to reflect lower-than-expected bus prices and departmental operational efficiencies. The nonrecurring reduction reflects the savings associated with foregone bus purchases in FY 2013-14 and the recurring reduction reflects reduced future financing payments as a result of those foregone purchases. This reduction does not reduce the number of replacement buses to be purchased in FY 2014-15. \$46.2 million remains in this allotment to support the purchase of 579 replacement buses in FY 2014-15.</p>	<p>(\$3,369,983) R (\$3,369,983) NR</p>
<p>20 Teacher Assistants (1800) Adjusts the Teacher Assistant allotment and continues to allocate funding on the basis of student headcount in grades K-3. Approximately \$368.3 million will remain in this allotment from a combination of General Fund and Lottery sources.</p>	<p>(\$129,912,165) R \$24,815,645 NR</p>
<p>21 Central Office Administration (1810) Reduces the allotment to LEAs for the salaries and benefits of central office staff by approximately 3%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. \$93.1 million will remain to support these local staff in FY 2014-15.</p>	<p>(\$2,750,000) R</p>
<p>22 Transportation (1830) Reduces by approximately 1% the total budget for the allotment, which supports the salaries of transportation personnel and the maintenance of yellow school buses. Total funding for this allotment will be \$445.7 million in FY 2014-15.</p>	<p>(\$4,630,992) R</p>

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<p>23 Small County Supplemental Funding (1800) Revises the funding formula to provide differentiated funding based on the size of eligible districts as directed in a corresponding special provision. \$46.3 million will be available for this allotment in FY 2014-15.</p>	<p>\$3,581,140</p>	<p>R</p>
<p>24 Panic Alarms (1830) Reduces available funding for this program to reflect FY 2013-14 actual expenditures. \$900,000 will be available for awards in FY 2014-15, slightly more than the amount awarded in FY 2013-14.</p>	<p>(\$1,100,000)</p>	<p>R</p>
<p>25 Cooperative and Innovative High Schools (1821) Provides Cooperative and Innovative High Schools (CIHS) allotment support to fulfill the funding requests for the six new CIHSs approved by the State Board of Education in 2014. Funding will support one STEM Early College and two Middle Colleges in Mecklenburg County, A Young Men's and Young Women's Leadership Academy in Wake County; and the Buncombe Discovery Academy in Buncombe County.</p>	<p>\$1,864,014</p>	<p>R</p>
<p>26 Textbooks (1800) Increases General Fund support for textbooks, bringing total funding for this allotment to \$24.3 million.</p>	<p>\$905,000</p>	<p>R</p>
<p>27 Merit Pay for Teachers (1800) Modifies funding status of this teacher supplemental compensation program to nonrecurring support.</p>	<p>(\$10,200,000) \$10,200,000</p>	<p>R NR</p>
<p>28 Differential Teacher Compensation Supports the initial phase of differentiated pay for highly effective classroom teachers, as described in a corresponding special provision, for selected LEAs to develop differentiated pay approaches for classroom teachers based on a teacher's demonstrated effectiveness, teaching in hard-to-staff areas, and additional responsibilities in advanced roles. This funding shall be allocated to the North Carolina Educational Endowment Fund, created within a related special provision.</p>	<p>\$1,000,000</p>	<p>NR</p>
<p>29 At-Risk Student Services (1800) Reduces funding for this allotment to the FY 2013-14 level of \$283.7 million.</p>	<p>(\$9,263,980)</p>	<p>R</p>

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30 Funds for Children in Private Psychiatric Residential Treatment Facilities \$3,200,000 R
 Provides funds to support the costs related to the education of children in private psychiatric residential treatment facilities. Implementation guidelines for this funding are provided in a corresponding special provision.

D. Department of Public Instruction

31 DPI Flexible Reduction (Multiple) (\$5,026,050) R
 Reduces State General Fund support for DPI by 10%. The State Board of Education may allocate this reduction at its discretion.

32 North Carolina Center for the Advancement of Teaching (1410) \$3,239,639 R
 (\$3,239,639) NR
 Shifts all State General Fund support for the ongoing operations of this teacher professional development provider to recurring funding.

33 Military Interstate Children's Compact Commission (1660) \$11,694 R
 Provides additional funding to cover the actual cost of membership in the Military Interstate Children's Compact Commission. The Commission seeks to ensure consistent policies amongst member states to resolve educational transition issues encountered by military children due to frequent relocation. The total budget for this item will be \$60,000.

E. Grants

34 Teaching Fellows (1900) (\$3,095,000) R
 Eliminates the General Fund appropriation supporting the Teaching Fellows program. Obligations to previous Fellows classes will continue to be supported from funds available in the Teaching Fellows Trust Fund. The Teaching Fellows Trust Fund has a cash balance of \$4.7 million as of April 30, 2014.

35 Communities in Schools (1901) \$1,000,000 R
 Provides support to expand the intervention programs and services provided by Communities In Schools of North Carolina, Inc. (CISNC), as part of its public and private partnership with local school administrative units to address the needs of public school students at risk of grade level retention and dropout from school. Total FY 2014-15 State support for CISNC will be \$2,446,750.

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FY 14-15

Total Legislative Changes	\$5,844,212	R
	\$53,030,774	NR
Total Position Changes		
Revised Budget	\$8,104,976,608	

Community Colleges

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$1,016,487,467

Legislative Changes

Reserve for Salaries & Benefits

36 Compensation Increase Reserve - Community Colleges \$22,741,352 R

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

37 State Retirement System Contributions - Community Colleges \$4,358,447 R

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

38 Compensation Increase Reserve - System Office \$202,461 R

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

39 State Retirement System Contributions - System Office \$55,069 R

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

B. Technical and Formula Changes

40 Enrollment Growth Adjustment (Multiple) (\$17,199,053) R

Adjusts funds for FY 2014-15 based on the decline in community college enrollment.

The Community College system saw its enrollment decline by 2.5% (or 6,156 FTE) from the budgeted amount in the 2013-14 certified budget for a savings of \$17.2 million.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

41 Closing the Skills Gap (Multiple)

\$15,066,588 R

Directs the System Office to create a fourth tier in its enrollment funding formula. The tier will be funded at a higher rate than the current highest tier. The new tier shall include health care and technical educational programs that train North Carolinians for jobs that have documented skills gaps and that pay higher wages.

42 Transfer to Commerce to Offset Apprenticeship Fees (1622)

Transfers \$300,000 from the Customized Industry Training Program to the Department of Commerce for the Apprenticeship and Training Bureau's Registered Apprenticeship program, which helps workers learn new specialized skills needed in the workforce.

The Department of Commerce is directed to use the funds to offset fee revenue lost when apprenticeship fees assessed under G.S. 94-12 are waived.

There is a corresponding special provision for this item.

C. Financial Aid Changes

43 Yellow Ribbon G.I. Education Enhancement Program (1900)

\$1,000,000 R

Funds financial aid for eligible military veterans and dependents attending North Carolina community colleges by providing State dollars to leverage federal matching funds via the Yellow Ribbon Program.

The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post -9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.

There is a corresponding special provision for this item.

D. Other Changes

44 Curriculum Tuition (1620)

(\$2,101,060) R

Increases curriculum tuition by \$0.50 per credit hour and makes a corresponding General Fund reduction in anticipation of increased tuition receipts.

Tuition will increase from \$71.50 to \$72 per credit hour for residents and from \$263.50 to \$264 for nonresidents. Tuition for resident students will increase by a maximum of \$32 per year, from \$2,288 to \$2,320.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

45 Manufacturing Solutions Center (1624)

Provides additional funding for the Manufacturing Solutions Center at Catawba Valley Community College. Annual funding for this program will be \$846,922.

\$150,000 R

46 Textile Technology Center (1624)

Provides additional funding for the Textile Technology Center at Gaston College. Annual funding for this program will be \$653,954.

\$150,000 R

Total Legislative Changes

\$24,423,804 R

Total Position Changes

Revised Budget

\$1,040,911,271

UNC System

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session	\$2,599,901,709
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Legislative Changes

A. Reserve for Salaries & Benefits

- | | | |
|--|---------------------|----------|
| <p>47 Compensation Increase Reserve - SHRA Employees & NCSSM Teachers
 Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time UNC employees who are subject to the State Human Resources Act (SHRA) and funds the salary increase required by the Teacher Salary Schedule for North Carolina School of Science and Math teachers.</p> | <p>\$18,151,272</p> | <p>R</p> |
| <p>48 Compensation Increase Reserve - EHRA Employees
 Provides funds for salary increases for UNC employees who are exempt from the State Human Resources Act (EHRA). UNC is not required to provide an across the board increase with these funds. The Board of Governors shall determine how best to allocate these funds to improve employee retention.</p> | <p>\$5,000,000</p> | <p>R</p> |
| <p>49 State Retirement System Contributions
 Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.</p> | <p>\$5,391,665</p> | <p>R</p> |

B. Technical and Formula Changes

- | | | |
|--|----------------------|----------|
| <p>50 Enrollment Funding Adjustment (16011)
 Reduces budgeted enrollment to match revised projections. The FY 2014-15 budget includes \$26.7 million of State appropriation for enrollment growth in the UNC System but only \$24.9 million is required, based on refined enrollment estimates.</p> | <p>(\$1,773,018)</p> | <p>R</p> |
|--|----------------------|----------|

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

51 Enrollment Growth Model Change (16011) (\$5,326,425) R
 Directs UNC General Administration to revise the Enrollment Growth Funding Model for general institutional support. The current model contains an adjustment factor to limit budget cuts to institutional support lines when enrollment declines. UNC is directed to remove this factor from its model and to reduce campus budgets accordingly.

52 Building Reserves (Multiple) (\$922,599) R
 Reduces funding in reserves for new facilities due to delays in completion dates. (\$79,138) NR
 -2.80

53 Teacher Preparation Programs through Distance Education (16011) (\$1,801,861) R
 Eliminates funding for the Teacher Preparation Distance Education Reserve. Funding for distance education teacher preparation was originally provided by the 2001 Appropriations Act (S.L. 2001-424, Sec. 31.7); since that time, these programs have also been added to the enrollment growth funding formula. This adjustment ends that duplicative funding.

C. Financial Aid Changes

54 Yellow Ribbon G.I. Education Enhancement Program (16011) \$4,863,276 R
 Funds financial aid for eligible military veterans and dependents attending the University of North Carolina by providing State dollars to leverage federal matching funds via the Yellow Ribbon Program.

The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post -9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.

There is a corresponding special provision for this item.

55 NC Need-Based Scholarship (16015; 124T) \$4,500,000 R
 Shifts from nonrecurring to recurring \$4.5 million for the NC Need-Based Scholarship for students attending private institutions of higher education. Total funding for the program in FY 2014-15 will be \$86,351,588. (\$4,500,000) NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

<p>56 National Guard Tuition Assistance Program (16012, 124R) Increases funding for the National Guard Tuition Assistance Program, which provides financial aid to active members of the North Carolina Army or Air National Guard. The new State appropriation for the program will be \$1,912,815, an increase of 2.7%.</p>	<p>\$50,000</p>	<p>R</p>
<p>57 College Foundation of North Carolina (16011) Mitigates the structural budget gap at the College Foundation of North Carolina (CFNC), which formerly was supported largely by receipts from the federal guaranteed student loan program at the College Foundation, Inc. and the State Education Assistance Authority. The 2010 federalization of the student loan program ended any new loan originations through the guaranteed loan program, so those receipts are no longer sufficient to sustain CFNC.</p>	<p>\$1,000,000</p>	<p>R</p>
<p>58 UNC Need-Based Financial Aid Forward-Funding Reserve Increases the funding for the UNC Need-Based financial aid program by \$19,130,728. This amount shall be funded from the Escheat Fund. There is a corresponding special provision for this item.</p>		
<p>59 Opportunity Scholarships (16015) Provides funds to expand Opportunity Scholarship Grants for the Spring 2015 semester. The program provides scholarship grants of up to \$2,100 per semester for eligible students to attend nonpublic schools. The additional funds will support 400 semester-long scholarships. Total funding for this program is \$10.8 million.</p>	<p>\$840,000</p>	<p>R</p>
<p>D. Other Changes</p>		
<p>60 Management Flexibility Reduction (16011) Increases the management flexibility reduction for the UNC operating budget by 3.3%. Including this change, the management flexibility reduction for FY 2014-15 totals \$76,039,788. The UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions.</p>	<p>(\$2,429,444)</p>	<p>R</p>
<p>61 Game-Changing Research (16011) Funds focused investments in faculty, research, and scholarship in six priority areas: advanced manufacturing; data sciences; defense, military, and security; energy; marine and coastal sciences; and pharmacoengineering. The investment in data sciences shall include data sciences programs at UNC Charlotte.</p>	<p>\$3,000,000</p>	<p>R</p>

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

62 NCSU Next Generation Power Electronics Innovation Institute (16030)

\$2,000,000 R

Provides State matching funds for a federal initiative to establish a regional and national Wide Bandgap Institute at North Carolina State University (NCSU). This Institute will be part of the U.S. Department of Energy's National Network for Manufacturing Innovation for Wide Bandgap Semiconductors for Power Electronic Devices. The State match represents the first installment of a total \$10 million State pledge, and NCSU shall only use these funds to provide the required State match for the federal grant.

63 North Carolina New Teacher Support Program (16011)

\$1,200,000 R

Funds the North Carolina New Teacher Support Program, a program that targets beginning teachers in schools across the state that qualified for Race to the Top services. The program is administered through a central office and four regional anchor sites at UNC Greensboro, UNC Charlotte, East Carolina University, and the UNC Center for School Leadership Development.

64 NCSU Food Processing

Provides \$250,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's food processing initiative. The University of North Carolina may not collect Facilities and Administrative expenses from these funds. Funding is reflected in the Natural and Economic Resources section of this document.

There is a related special provision for this item in the Department of Agriculture and Consumer Sciences section.

65 NCSU Plant Science Initiative

Provides \$350,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's plant science initiative. The University of North Carolina may not collect Facilities and Administrative expenses from these funds. Funding is reflected in the Natural and Economic Resources section of this document.

There is a related special provision for this item in the Department of Agriculture and Consumer Sciences section.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

66 Internships and Career-Based Opportunities for HBCU Students (16011)

\$317,500 R

Creates a pilot internship program to link 60 students attending Historically Black Colleges and Universities (HBCUs) with North Carolina-based companies. Elizabeth City State University plus three HBCUs selected through a competitive application process will participate in the pilot. Of the three institutions selected, one must be an HBCU constituent institution of the UNC system and two must be private HBCU colleges or universities located in North Carolina. The University of North Carolina may use up to 5% of these funds to administer the program.

Total Legislative Changes	\$34,060,366	R
	(\$4,579,138)	NR
Total Position Changes		-2.80
Revised Budget	\$2,629,382,937	

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**HEALTH
&
HUMAN SERVICES
Section G**

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Health and Human Services

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$76,301,328

Legislative Changes

(1.0) Division of Central Management and Support

1 Compensation Increase Reserve

\$7,581,977 R

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees and funds the salary increase required by the Teacher Salary Schedule for State agency teachers.

2 State Retirement System Contributions

\$1,396,718 R

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

3 Contracts and Administrative Reductions

(\$16,000,000) R

Reduces funds for contracts and administrative expenses across the Department of Health and Human Services. The Department is given flexibility to achieve the reduction through the elimination or reduction of contract expenses, vacant or filled positions and other state level administrative expenses. The Department may also budget recurring overrealized receipts. In achieving the reduction, the Department shall not reduce or eliminate programs or services that provide direct services.

4 Maintenance - Cost Allocation (1120)

(\$120,000) R

Allocates allowable federal funds for maintenance expenses in the Division of Child Development and Early Education.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

- 5 NC TRACKS (2413,1122)** \$0 R

Provides funding for continued system development by using prior-year earned revenue in the nonrecurring amount of \$5,223,975 in FY 2014-15. The total FY 2014-15 budget for development costs is \$10.7 million and the budget for ongoing operations and maintenance is an additional \$10.7 million.
- 6 NC FAST (2411)** \$0 R

Provides funding to support the continued development and implementation of the Eligibility Information System for the Child Care, Low Income Energy Assistance and Crisis Intervention Programs, and Federally-Facilitated Exchange Interoperability. The funding will be provided from prior-year earned revenue in the nonrecurring amount of \$4,138,002 in FY 2014-15. These projects are funded with 90% federal funds until December 31, 2015. The FY 2014-15 total budget for this project is \$55.6 million.
- 7 Competitive Block Grant Transfers (1910)** (\$600,223) R

Transfers funds from the competitive block grant to the appropriate Divisions. Funds for maternity homes are transferred to the Division of Social Services in the amount of \$375,000. Funds for traumatic brain injury are transferred to the Division of Mental Health, Developmental Disability Services and Substance Abuse Services in the amount of \$225,223. Combined with the additional funding from the Competitive Block Grant Additional Funds item, the competitive block grant General Fund appropriation is reduced by 4.5% to \$9,103,911 recurring.
- 8 Competitive Block Grant Additional Funds (1910)** \$175,000 R

Provides recurring funds to increase the competitive block grant. Designates \$175,000 in FY 2014-15 for the St. Gerard House for autism services. In FY 2015-16 this organization may apply for funding through the competitive block grant.
- 9 Actuary Positions (1120)** \$170,000 R

Creates two actuary positions in the Office of the Secretary for the Medicaid Program. The total cost of the positions is \$340,000. Federal Medicaid receipts will be used to cover 50% of the cost of each position, therefore the State will fund effectively 1 net FTE. 1.00
- 10 Health Information Exchange (1910)** \$2,000,000 R

Provides State matching funds to support the Health Information Exchange.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

11 Supplemental Short-Term Assistance for Group Homes

Provides funding for one year for group home residents who were determined to be ineligible for Medicaid personal care services on or after January 1, 2013. The maximum monthly payment is set at \$464.30 and is based on providing 33 hours of service per eligible recipient. Group homes may only use these funds to provide supervision and medication management to residents who meet the required eligibility criteria. Funds for this purpose are capped at maximum amount of \$2,000,000 and will end upon depletion of the funds or June 30, 2015, whichever is earlier.

\$2,000,000 NR

Total Legislative Changes

(\$5,396,528) R

\$2,000,000 NR

Total Position Changes

1.00

Revised Budget

\$72,904,800

Conference Report on the Continuation, Capital, and Expansion Budget

Health and Human Services

GENERAL FUND

	FY 14-15	
Total Budget Enacted 2013 Session	\$54,342,341	
Legislative Changes		
(2.0) Division of Aging and Adult Services		
12 Senior Center		
Provides nonrecurring General Fund appropriation for Senior Center capital projects.	\$100,000	NR
13 Home and Community Care Block Grant Reduction (1370,1451)	(\$969,549)	R
Reduces General Fund appropriation for the Home and Community Care Block Grant (HCCBG) by 3%, leaving a balance of \$31,808,889.		
Total Legislative Changes	(\$969,549)	R
	\$100,000	NR
Total Position Changes		
Revised Budget	\$53,472,792	

Health and Human Services

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$254,314,609

Legislative Changes

(3.0) Division of Child Development and Early Education

14 TANF Funds for PreK (1330)

Replaces General Fund appropriation for the PreK program with Temporary Assistance for Needy Families block grant funds and Temporary Assistance for Needy Families Emergency Contingency Funds on a nonrecurring basis.

(\$19,842,334) NR

15 Administrative Savings due to Efficiencies and Cost Allocation

Reduces General Fund appropriation budgeting overrealized receipts, and replacing General Fund appropriation with Child Care and Development Fund for Child Care Regulation. Additionally the Division's administrative costs have been reduced due to the move to the Dorothea Dix campus, including the elimination of one position.

(\$1,893,496) R

-1.00

#60038615 - Administrative Asst. II - \$37,659

16 Child Care Subsidy Block Grant Swap Out

Replaces General Fund appropriation for the Child Care Subsidy program with Child Care Development Fund and Temporary Assistance For Needy Families Emergency Contingency block grant funds on a nonrecurring basis. Both block grants have increased availability for FY 2014-15. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of State funds with federal funding. Total funding for Child Care Subsidy is unchanged.

(\$13,982,425) NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

17 Child Care Subsidy Eligibility Changes (1380)

(\$7,670,393) R

Changes eligibility for Child Care Subsidy from 75% of State Median Income to 200% of Federal Poverty Level (FPL) for children age 0-5 and children with special needs. Children who are age 6-12 are eligible at 133% of FPL. This change is effective October 1, 2014. Children currently receiving assistance will have their income eligibility determined according to the new income standards at their next redetermination after October 1, 2014. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding. Savings from this item are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.

18 Child Care Subsidy Co-Payments Set at 10% of Income (1380)

(\$1,631,418) R

Sets co-payments at 10% of income for all households that are required to pay a co-payment effective October 1, 2014. This does not change who pays a co-payment; children receiving child care subsidy through Child Welfare, Child Protective Services and Foster Care will continue to be exempt from the co-payment requirement. This reduction does not change the slot availability for child care subsidy as the amount paid by the Child Care Subsidy Program will be reduced due to the increased co-payment. The co-payment is paid to the child care provider. There were 40,000 children whose families paid a co-payment based on 8% or 9% of their family income out of 110,000 children whose families paid a co-payment in FY 2012-13. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding. Savings from this item are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.

19 Child Care Subsidy Co-Payment No Longer Prorated for Part-time Care (1380)

(\$2,123,968) R

Eliminates the proration of co-payments for part-time care effective October 1, 2014. This reduction does not result in any loss of child care slots. The increased co-payment will reduce the amount paid to child care providers by the Child Care Subsidy program. Providers collect the co-payment from the parents. There were 26,000 children whose families paid a reduced co-payment due to part-time care out of 110,000 children whose families paid a co-payment in FY 2012-13. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding. Savings from this item are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.

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FY 14-15

20 Child Care Waiting List

\$4,611,750 R

Provides funding to reduce the Child Care Subsidy waiting list by an estimated 1,000 children. When fully implemented, the waiting list will be reduced by an estimated 4,000. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding. Savings from Child Care Subsidy eligibility and co-payment change items are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.

21 Child Care Market Rates (1380)

\$6,814,029 R

Provides funding to increase the child care market rates for the Child Care Subsidy Program effective January 1, 2015, based on the 2013 North Carolina Child Care Market Rate Study. The child care market rates are increased by 25% of the difference between the current child care market rates and the 2013 child care market rates. Combined with other Child Care Subsidy items, General Fund appropriation is reduced by 34% to \$27.1 million due to the replacement of state funds with federal funding. Savings from Child Care Subsidy eligibility and co-payment change items are reinvested in market rates and the waiting list. Total funding for Child Care Subsidy is unchanged.

22 PreK (1330)

\$5,040,000 NR

Provides funding to address the additional average per slot cost increase due to teacher raises and provides funding for additional slots.

Total Legislative Changes	(\$1,893,496)	R
	(\$28,784,759)	NR
Total Position Changes	-1.00	
Revised Budget	\$223,636,354	

Health and Human Services

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$176,558,432

Legislative Changes

(4.0) Division of Social Services

- | | | |
|--|---------------|---|
| 23 State-County Special Assistance Caseloads (1570) | (\$4,215,542) | R |
| <p>Reduces funding for State-County Special Assistance (SA) due to decreasing caseloads. The reduced funding has no impact on assistance for eligible recipients.</p> | | |
| 24 State-County Special Assistance Income Eligibility (1570) | (\$377,997) | R |
| <p>Changes the income eligibility for the State-County Special Assistance (SA) Program from a method that bases income eligibility on the payment rate for the facility type where the recipient resides, to a method based on the federal poverty level for all recipients regardless of where they reside. The SA eligibility level is set at 100% of the Federal Poverty Level. Current recipients of SA are grandfathered in and will continue to receive SA. This change is contingent on the Center for Medicare & Medicaid Services (CMS) approving the state plan amendment allowing the grandfathered recipients to continue to receive Medicaid. If CMS does not approve the continuation of Medicaid for these individuals, then this eligibility change will not be implemented.</p> | | |
| 25 State Funding for County Medicaid Administration Eliminated (1376) | (\$1,682,806) | R |
| <p>Eliminates funding provided to local departments of social services to offset counties' cost for Medicaid enrollment. The federal match rate is increasing from 50% to 75% for eligibility determination for Medicaid, therefore counties will receive additional federal funds for this activity.</p> | | |
| 26 Adult Care Home Case Management (1453) | (\$856,058) | R |
| <p>Eliminates funding for the Adult Care Home Case Management Service (ACHCM) which ended in June 2013. This service provided funding for county departments of social services workers to perform the assessment and case management for individuals in adult care homes and licensed family homes who were heavy need residents. The Personal Care Services (PCS) Program now uses an independent assessment to determine eligibility for PCS and therefore the Case Management Service is no longer needed.</p> | | |

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

27 Child Protective Services Caseloads (1430)	\$7,369,970	R
<p>Provides funding to replace \$4.5 million in federal block grant funds that counties lost in FY 2013-14 that was utilized to pay for Child Protective Services (CPS) workers. An additional \$2.8 million in funding is provided effective October 1, 2014 to reduce county departments of social services caseloads to an average of 10 families per worker performing Child Protective Services assessments. Combined with other Child Protective Services expansion, the General Fund appropriation for Child Protective Services is increased by 100% to \$26 million.</p>		
28 Enhance Oversight of County Child Welfare Services (1430)	\$750,000	R
<p>Provides funding for nine positions to enhance oversight of child welfare services in local county departments of social services. These positions will monitor, train, and provide technical assistance to the local county departments of social services to ensure children and families are provided services to address safety, permanency and the well-being of children who are served by child welfare services. The funds will increase Division of Social Services staffing for Child Protective Services to 28 positions, an increase of 47%. Combined with other Child Protective Services items, this General Fund appropriation for Child Protective Services is increased by 100% to \$26 million.</p>		
29 Child Welfare In-Home Expansion	\$4,500,000	R
<p>Increases General Fund appropriation for Child Welfare In-Home Services. In-Home Services are provided to maintain the safety of the child while helping the parent/caretaker learn more effective parenting practices. In-Home Services provide, arrange for, and coordinate interventions and services, as needed that focus on child safety and protection, family preservation, and the prevention of further abuse or neglect. Combined with other Child Protective Services items, the General Fund appropriation for Child Protective Services is increased by 100% to \$26 million.</p>		
30 Child Protective Services Statewide Evaluation (1430)	\$700,000	NR
<p>Provides funding for an independent, statewide evaluation of Child Protective Services at local departments of social service and the Department of Health and Human Services. The evaluation will assess performance, caseload sizes, administrative structure, funding and worker turnover and include recommendations on improving Child Protective Services.</p>		

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

31 Child Protective Services Pilot Program (1430)	Provides funding to develop and implement a pilot program designed to enhance coordination of services and information among agencies to improve the protection and outcomes for vulnerable children served through Child Welfare Services. The Division shall coordinate with the Government Data Analytics Center (GDAC) in developing the pilot program. The agencies in the pilot include local county departments of social services, local law enforcement, the court system, Guardian Ad Litem programs and other agencies as determined appropriate by the Department of Health and Human Services.	\$300,000	NR
32 Foster Care Assistance Payments (1532)	Provides funding for Foster Care Assistance Payments due to increasing caseloads. Caseloads increased by 9% from March 2013 to March 2014 and are projected to continue to grow. General Fund appropriation is increased by 18% to a total of \$32.2 million.	\$5,000,000	R
33 State Maternity Home Fund (1110)	Transfers General Fund Appropriation from the Competitive Block grant in the Division of Central Management to the State Maternity Home Fund in the Division of Social Services. Maternity Homes are removed from the competitive block grant. Individuals experiencing an unplanned pregnancy apply to receive funding from the State Maternity Home Fund. Once the individual is determined eligible, the payment goes to the appropriate Maternity Home. There is no change in funding for the State Maternity Home Fund.	\$375,000	R
34 Work First Drug Testing	Provides funds for the implementation of Part II. Drug Screening and Testing For Work First Program Assistance of S.L. 2013-417.	\$218,538	R
		\$125,750	NR
<hr/>			
Total Legislative Changes		\$11,081,105	R
		\$1,125,750	NR
Total Position Changes		9.00	
Revised Budget		\$188,765,287	
<hr/>			

Health and Human Services

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$141,941,587

Legislative Changes

(5.0) Division of Public Health

35 ADAP - AIDS Drug Assistance Program (1460)

Budgets increased pharmaceutical rebates and federal receipts. \$68.8 million remains in the ADAP budget to provide services in FY 2014-15 to all eligible persons, with no waiting lists anticipated.

(\$5,782,163) NR

36 Incubation Project (1161)

Eliminates General Fund support for the North Carolina Public Health Incubator Collaborative. Funds are used to support a contract with the UNC Institute of Public Health. The contract will be discontinued, but regional health department collaboratives will continue to develop and disseminate best practices.

(\$100,000) R

37 Vector Control Program (1153)

Terminates the Vector Control Program, which provided small grants to a limited number of counties for mosquito control.

(\$185,992) R

38 Child and Family Support Team (1332)

Eliminates funding for the Child and Family Support Team. Funds were originally provided as start-up funding to support schools participating in the Child and Family Support Team program. The school-based program is now fully implemented, and start-up resources are no longer needed. Two positions are eliminated effective July 1, 2014.

(\$251,788) R

-2.00

#60037795 - Program Development Coordinator - \$66,173

#60037797 - Administrative Asst I - \$44,648

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FY 14-15

<p>39 Operational Efficiencies (1110, 1171, 1261, 1441) Reduces operating funds for the Purchase of Medical Care Unit, State Center for Health Statistics, and the Early Intervention, Physical Activity and Nutrition, and Chronic Disease and Prevention Units. Five positions are eliminated effective July 1, 2014.</p> <p>#60041103 - Office Assistant IV - \$35,891 #60088935 - Processing Asst V - \$36,931 #60041456 – Administrative Officer #3 – \$51,304 #60041171 - Nutrition Program Supervisor - \$55,808 #60040661 - Business Officer - \$50,200</p>	<p>(\$298,275) R</p> <p>-5.00</p>
<p>40 Public Health Program Adjustments (1271, 1332) Eliminates residual funds for Purchase of Medical Care, Early Hearing Detection and Intervention, and Tobacco Prevention and Control programs. The budgets are being modified to actual or anticipated spending levels, with no reduction to public service.</p> <p>Fund Code 1271: Purchase of Medical Care - (\$142,325) Fund Code 1332: Early Hearing Detection and Intervention - (\$131,000) Fund Code 1271: Tobacco Prevention and Control - (\$64,000)</p>	<p>(\$337,325) R</p>
<p>41 Vital Records (1173) Provides funds for temporary staffing to keep up with the demand for certificate issuance, the relocation of records from the primary vault to a secondary vault due to safety issues, microfilming/daily records management, the adoptions database and certificate issuance, and long term vital events document preservation.</p>	<p>\$350,000 R</p>
<p>42 Office of Chief Medical Examiner (1172) Provides funding to address operational issues in the statewide medical examiner system. The expansion will increase the FY 2014-15 budget by 23% from \$4.4 million to \$5.4 million.</p>	<p>\$1,000,000 R</p>

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43 Well Water Testing Fee (1174)

Budgets increased receipts from fees charged by the State Public Health Laboratory to analyze private well water samples. The fee charged to test samples from newly constructed wells increases from \$55 to \$74, (35%). In addition, the Laboratory is authorized to analyze water samples from existing private wells for a fee of \$74. The fee change will increase receipts to cover the costs of supplies used to analyze water samples.

Requirements	\$221,548
Receipts	\$221,548
Net Appropriation	\$ 0

44 Food Protection Program

\$0 R

Realigns the Food Protection Program budget by reallocating \$400,000 from aid to counties for local food and lodging programs to be used for the costs to operate the State elements of this program. Due to an increase in the amount of the counties' share of food and lodging fee receipts enacted in Section 12E.1 of S.L. 2013-360, the counties no longer need to receive this General Fund Appropriation. The Food Protection Program will use these funds to cover State costs related to food and lodging regulation.

Total Legislative Changes	\$176,620	R
	(\$5,782,163)	NR
Total Position Changes	-7.00	
Revised Budget	\$136,336,044	

Health and Human Services

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$704,985,988

Legislative Changes

(6.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

45 New Broughton Hospital Reserve (1910)

Eliminates reserve funds provided to purchase equipment, furniture, and information technology infrastructure for the new Broughton Hospital. S.L. 2013-360 appropriated the nonrecurring funds for the anticipated December 2014 opening of the new facility. Due to construction issues, the opening of the replacement facility is delayed until May 2016.

(\$16,598,589) NR

46 Claims Processing (1110)

Reduces funding by 47% to budget anticipated savings in contracted claims processing costs. In FY 2013-14, the Division began using the NC Tracks system to process community service claims and no longer uses private contractors for this purpose. \$2.7 million remains in the FY 2014-15 budget for contractual information technology services.

(\$2,400,000) R

47 Local Management Entity/Managed Care Organizations (1111)

Reduces the General Fund appropriation for Local Management Entity/Managed Care Organization (LME/MCO) administrative cost allocations by 5.6%. Administrative cost savings will be achieved by merging the nine LME/MCOs operating in FY 2013-14 to seven or fewer by June 30, 2015. Approximately \$30 million remains in the FY 2014-15 budget for LME/MCO administration.

(\$1,800,000) R

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<p>48 Central Office Administration (1110) Reduces the General Fund appropriation for the Division's central offices by 4.5%. Seven vacant positions are eliminated, effective July 1, 2014. Approximately \$9.5 million remains in the Division's FY 2014-15 central administration budget.</p> <p>#65006250, Quality Assurance Officer - \$70,840 #60043442 Mental Health Prgm Mgr I – \$59,962, #60043463, W/A Primary Care Systems Asso - \$49,171 #60043400, Processing Assistant V - \$48,979 #60043406, W/A Administrative Asst - \$29,856 #60043320, Administrative Off III - \$54,498 #60043328, Budget Manager - \$90,000</p>	<p>(\$448,876) R</p> <p>-7.00</p>
<p>49 LME/MCO General Administration (1111) Eliminates funds held in reserve for LME/MCO risk management. As required by S.L. 2013-85, the Division has increased responsibilities related to monitoring LME/MCO administrative, operational, actuarial, and financial performance, eliminating the need to maintain a reserve fund.</p>	<p>(\$6,100,000) R</p>
<p>50 Brain Injury Association of North Carolina (1451) Continues General Fund appropriation for the Brain Injury Association of North Carolina contract. The association provides information, referral, and training services for persons with traumatic brain injury, their families, and health care professionals.</p>	<p>\$225,223 R</p>
<p>51 Community-Based Crisis Services Provides funds to be used to increase community-based crisis stabilization services. These services provide alternatives to the use of local hospital emergency departments or inpatient services in State-operated facilities. Crisis services include psychiatric outpatient clinics, 24-hour crisis walk-in clinics, psychiatric urgent care units, facility-based crisis treatment, 23-hour observation, and non-hospital detoxification.</p>	<p>\$2,200,000 R</p>
<hr/>	
<p>Total Legislative Changes</p>	<p>(\$8,323,653) R</p>
<p>Total Position Changes</p>	<p>(\$16,598,589) NR</p>
<p>Total Position Changes</p>	<p>-7.00</p>
<p>Revised Budget</p>	<p>\$680,063,746</p>
<hr/>	

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Health and Human Services

GENERAL FUND

	FY 14-15	
Total Budget Enacted 2013 Session	\$38,773,169	
<hr/>		
Legislative Changes		
(7.0) Division of Vocational Rehabilitation		
52 Operational Efficiencies (1110, 1452, 1480)	(\$575,336)	R
Reduces General Fund appropriation to reflect savings achieved by reducing layers of management and administration. Effective July 1, 2014, 20.75 positions (11.95 full-time equivalents (FTEs) supported by the General Fund), are eliminated from Service Support, Employment Services, and Independent Living Services.	-11.95	
<hr/>		
Total Legislative Changes	(\$575,336)	R
Total Position Changes	-11.95	
Revised Budget	\$38,197,833	

Health and Human Services

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$16,411,479

Legislative Changes

(8.0) Division of Health Service Regulation

53 Cost Allocation for Construction Team Inspections (1153)

(\$263,000) R

Allocates the cost for construction team inspections of adult care homes, family homes, and group homes to claim administrative match through Medicaid. The construction teams inspect facilities to ensure compliance with federal licensure standards. The inspections consist of external and internal evaluations, including living quarters, fire safety, electrical and plumbing equipment, ensuring homes and facilities are maintained in a safe living condition.

54 Health Care Personnel Registry Receipts (1110)

(\$25,000) R

Budgets over-realized receipts for the Health Care Personnel Registry, a tool for monitoring unlicensed health care personnel. The registry lists nurses and medications aides who have met Federal and State educational and competency requirements. Further, it lists unlicensed health care personnel who are being investigated for or have been found to have caused harm to a resident of a facility. The cost of maintaining the registry is shared with Medicare. For FY 2012-13, actual expenditures totaled \$4.1 million. While budgeting the over-realized receipts (\$25,000) will result in a corresponding decrease in appropriation, the FY 2014-15 budget (requirements) of \$4.4 million is unchanged.

Total Legislative Changes

(\$288,000) R

Total Position Changes

Revised Budget

\$16,123,479

Health and Human Services

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$3,608,119,091

Legislative Changes

(9.0) Division of Medical Assistance

55 Mental Health Drug Management (1310,1331) (\$6,000,000) R

Directs the Department of Health and Human Services, Division of Medical Assistance, to manage mental health drugs to produce \$12 million savings, net of rebates, to General Fund appropriations to the Medicaid program. In order to achieve the annual savings the Department will first make adjustments to the preferred drug list, to maximize supplemental rebates. Next the Department is authorized to impose controls including prior authorization, utilization review criteria, and any other restrictions. Notwithstanding the foregoing, because of the effective date of this section, savings in fiscal year 2014-2015 shall be \$6 million.

56 Provider Rate and Hospital DRG Weight Mix Reduction (1310) (\$7,190,441) R

Reduces provider rates by 1.0% effective January 1, 2015. This reduction applies to all fee-for-service providers with the exception of hospital inpatient services, drugs and dispensing fees, nursing homes, non-PCS home care services, private duty nursing, all cost based providers, services where rates or rate methodologies are set by the federal government, negotiated through a contract, hospice, CAP services, FQHC and Rural Health Centers or as specified in special provision.

Reduces Hospital DRG weights by 2.1% effective January 1, 2015. The 2.1% reduction will be uniformly applied to each DRG weight.

57 Medsolutions Contract Renegotiation and Imaging Request for Proposal (1310) (\$5,000,000) R

Reduces spending for the imaging contract with Medsolutions to reflect the recently renegotiated contract terms. The Department is also directed to issue a Request for Proposal (RFP) for high tech imaging services. This represents a 14.9% reduction in spending on the high tech imaging contract, leaving an estimated \$90 million in the budget for FY 2014-15.

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FY 14-15

58 Hospital Outpatient Cost (1310)

(\$9,959,511) R

Reduces the settlement for the UNC Hospitals (UNC-CH) and Vidant, formally known as Pitt Memorial Hospital (ECU) for outpatient services to 70% of Medicaid costs effective July 1, 2014. Historically, the State has funded the State share of payment to UNC-CH and ECU at 100% of costs, unlike other hospitals which are paid 70% of cost through the claims and settlement processes. The reduction in the settlement percentage will be factored into supplemental payments under the Disproportionate Share Hospital (DSH) and hospital GAP payment plans, as appropriate. This represents a 2.1% reduction in overall hospital outpatient Medicaid spending, leaving an estimated \$821 million in the budget for outpatient services for all hospitals in FY 2014-15.

59 Nursing Home Case Mix Index Adjustment (1310)

(\$2,200,000) R

Freezes the case-mix index adjustments for direct cost of nursing home rates effective January 1, 2015. Historically, nursing home direct care rates are adjusted quarterly for the change in the average case mix or intensity of care for each facility's residents from the previous quarter. The case mix index adjustments do not apply to the indirect care or fair rental value components of the nursing home per diem rates. Total Medicaid payments for nursing homes is projected to be \$1.16 billion in FY 2013-14. This represents a 0.5% reduction in overall budgeted spending for nursing homes leaving an estimated \$1.2 billion in the Medicaid budget for FY 2014-15.

60 Average Acquisition Cost for Drug Pricing (1310)

(\$975,000) R

Converts the pricing for drug products from a multiple of Wholesale Acquisition Cost (WAC) for brand medications and State Maximum Allowable Cost (SMAC) for generic medications to an average acquisition cost for all Medicaid drugs. This item also adjusts dispensing fees to more closely align with the cost of dispensing. Adjustments to drug pricing and dispensing fees will result in a net savings of \$975,000 in FY 2014-15. Total spending for drug product and dispensing fees are projected to be \$1.4 billion in FY 2013-14. Drug ingredient prices will be updated at least monthly.

The amount is offset by drug rebates that are estimated at \$678 million in FY 2013-14. This represents a 0.3% reduction in spending for drug costs, net of rebates, leaving an estimated net budget of \$737 million in FY 2014-15.

Conference Report on the Continuation, Capital, and Expansion Budget

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<p>61 State Retention of the Hospital GAP Plan Assessment (1310)</p> <p>Increases the State retention on assessments through the hospital GAP plan from 25.9% to 28.85% effective July 1, 2014. The increased retention percentage will apply to the total amount assessed under the GAP plan. The residual amount of assessment will be used to make supplemental equity and upper payment limit payments as defined under the plan. The GAP plan for the year ending September 30, 2014 provides for payments from hospitals totaling \$366 million and supplemental payments for outpatient equity and inpatient upper payment limit of \$787 million. This change will increase the amount of payments from the hospitals, but will not change the supplement payments the hospitals receive.</p>	<p>(\$15,102,794) R</p>
<p>62 Single Base Rate for All Hospitals (1310)</p> <p>Establishes a single base diagnosis related group (DRG) rate for inpatient hospital services based on the statewide median base rate at June 30, 2014 for all hospitals effective January 1, 2015. This reduces payments for hospital services by \$35.5 million and increases the GAP plan retention by \$9.2 million on an annual basis. In FY 2013-14 total spending for inpatient hospital services is projected to be \$938 million. This represents a 1.8% reduction in spending for inpatient hospital services, leaving an estimated \$992 million in the FY 2014-15 budget.</p>	<p>(\$10,800,000) R</p>
<p>63 Botox Rates (1310)</p> <p>Changes the rate methodology for Botox under the physician drug program effective 7/1/14 for Medicaid and Health Choice to be the same as the pharmacy drug pricing methodologies using wholesale acquisition costs (WAC) or the state Medicaid average costs (SMAC) for point of sale pharmacies, as appropriate.</p>	<p>\$21,000 R</p>
<p>64 Paragard Rate (1310)</p> <p>Changes pricing methodology for Paragard IUD's to be consistent with pricing formula for other IUD's.</p>	<p>\$62,000 NR</p>
<p>65 Dispensing Fee Study (1102)</p> <p>Directs the Department to conduct a study of pharmacy dispensing fees.</p>	<p>\$100,000 NR</p>

Conference Report on the Continuation, Capital, and Expansion Budget

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66 Medicaid Funds FY 13-14

Appropriates nonrecurring funds to address a projected FY 2013-14 Medicaid budget shortfall of \$72.3 million. Unachieved S.L. 2013-360 reductions and other unbudgeted items are outlined below:

\$136,503,778 NR

- Medicaid Claims, Utilization and Growth:(\$157,100,000)
- Budget Reduction Items not Achieved: \$63,600,000
- Presumptive Eligibility: \$6,600,000
- MAGI Recertification Delay: \$2,800,000
- Additional Children Shifted from Heath Choice: \$8,700,000
- PCS Services: \$12,400,000
- Settlements: \$8,200,000
- Heath Choice Surplus:(\$9,400,000)
- Medicaid Claims and Enrollment Backlog: \$136,500,000

Net Shortfall: \$ 72,300,000

A projected FY 2013-14 cash surplus of \$54.8 million, anticipated due to backlogs of unpaid claims and unprocessed eligibility applications, will revert on June 30, 2014. Therefore, a nonrecurring appropriation of \$136.5 million is needed for the liability associated with the unpaid claims and enrollment backlogs that will be paid in FY 2014-15.

67 Nursing Home Rates (1310)

Restores the 3% reduction implemented as part of the shared savings plan item in FY 2013-14 effective June 1, 2015. The ongoing annual state cost will be \$8,000,000.

\$670,000 R

68 Personal Care Services (PCS) Study Optional Program (1102)

Provides funding for the Department to transfer \$300,000 to the Legislative Services Commission to contract for a study to define a new limited PCS optional service program. This amount represents the State share of the total funding of \$600,000. The remaining source of funding will come from the Medicaid administrative funding from the Centers for Medicare and Medicaid Services (CMS). The report from this study is due December 1, 2015. Additionally, the Department will study and report on Adult Care Home inspections, procedures and processes.

\$300,000 NR

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Total Legislative Changes	(\$56,536,746)	R
	\$136,965,778	NR
Total Position Changes		
Revised Budget	\$3,688,548,123	

Health and Human Services

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$57,747,933

Legislative Changes

(10.0) NC Health Choice

69 Health Choice Rebase (1310)

(\$14,500,000) R

Funds the Health Choice rebase for FY 2014-15 that includes a 5.3% growth in enrollment and utilization, the impact of an additional 20,000 children shifting from Health Choice to Medicaid, and the impact of not meeting all the budget reduction items included in the 2013 Appropriations Act.

The following chart details the various components of the rebase calculation:

Growth, Claims and Utilization: (\$9,900,000)
 Budget Reductions Not Achieved: \$2,900,000
 Additional Children Shifted From Health Choice: (\$7,500,000)

HEALTH CHOICE REBASE FY 2014-15 (\$14,500,000)

70 Single Base Rate for all Hospitals (1310)

(\$63,961) R

Establishes a single base diagnosis related group (DRG) rate for inpatient hospital services based on the statewide median base rate for all hospitals effective January 1, 2015. This represents a 1.8% reduction in claims spending for inpatient hospital services.

71 Health Choice Administrative Budget Adjustment (1102)

(\$1,250,000) R

Adjusts the Health Choice administrative budget to more accurately reflect actual expenditures and anticipated costs in FY 2014-15.

Total Legislative Changes

(\$15,813,961) R

Total Position Changes

Revised Budget

\$41,933,972

Health and Human Services

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$8,178,618

Legislative Changes

(11.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing

72 No Action Taken

Takes no budget action specific to the Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing.

Total Legislative Changes

Total Position Changes

Revised Budget

\$8,178,618

**NATURAL
&
ECONOMIC
RESOURCES
Section H**

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Agriculture and Consumer Services

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$115,409,902

Legislative Changes

Reserve for Salaries & Benefits

1 Compensation Increase Reserve \$1,635,070 R

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

2 State Retirement System Contributions \$280,057 R

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

Department-wide

3 Management Flexibility Reduction (\$1,356,590) R

Allocates a 1.2% management flexibility reduction to the Department. The Commissioner may apply the reductions as deemed necessary.

Forest Service

4 Forestry Management Plans (1510) (\$761,750) R

Budgets anticipated receipts from fees charged for forestry management plans produced by the NC Forest Service. The Board of Agriculture shall establish a fee schedule for plans produced by the Department.

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FY 14-15

Research Stations

5 Bioenergy Development - TVA Funds (1190)

Budgets TVA settlement funds returned by the Biofuels Center to the Department of Commerce upon dissolution of the nonprofit. Funds will be provided to the Bioenergy Development program administered by the Department and will offset existing General Fund support for FY 2014-15. Total program funding will remain at \$1.5 million for FY 2014-15. TVA funds may only be spent in the counties identified in Section 13.3 of S.L. 2013-360.

(\$438,583) NR

6 Commodity Receipts (1190)

Budgets additional sales receipts from research station products to more closely match actual experience. In FY 2012-13, the research stations overrealized commodity sales receipts by \$681,389.

(\$200,000) R

Reserves and Transfers

7 FFA Grant Funding (1990)

Eliminates expansion funding to the FFA Foundation. The program will continue to receive \$40,000 in recurring grant funding.

(\$100,000) R

8 Farmland Preservation Trust Fund - Military Buffers (1990)

Provides \$1 million in nonrecurring funding to match federal funds for the purchase of development rights from agricultural operations located near military bases in the State. Funding to the Trust Fund in FY 2014-15 will total over \$1.6 million from the General Fund and an additional \$1 million from TVA settlement funds.

\$1,000,000 NR

9 NCSU Food Processing Initiative (1990)

Provides \$250,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's food processing initiative. The University of North Carolina system may not collect Facilities and Administrative expenses from these funds provided to the initiative.

\$250,000 NR

10 NCSU Plant Science Initiative (1990)

Provides \$350,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's plant science initiative. The University of North Carolina system may not collect Facilities and Administrative expenses from these funds provided to the initiative.

\$350,000 NR

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FY 14-15

Soil and Water Conservation

11 Agriculture Water Resource Assistance Program (1611)

Provides additional nonrecurring funding to support agriculture water resource development projects. Total program funding is \$1.5 million.

\$1,000,000 NR

Veterinary Services

12 National Poultry Improvement Plan Fees (1130)

Budgets \$25,000 in anticipated receipts generated from increasing fees associated with the National Poultry Improvement Plan certification to support the program.

Total Legislative Changes

(\$503,213) R

\$2,161,417 NR

Total Position Changes

Revised Budget

\$117,068,106

Conference Report on the Continuation, Capital, and Expansion Budget

Labor

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$16,696,339

Legislative Changes

Reserve for Salaries & Benefits

13 Compensation Increase Reserve

\$294,698 R

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

14 State Retirement System Contributions

\$59,413 R

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

Department-wide

15 Management Flexibility Reduction

(\$500,000) R

Allocates a 3% management flexibility reduction to the Department. The Commissioner may apply the reductions as deemed necessary.

Total Legislative Changes

(\$145,889) R

Total Position Changes

Revised Budget

\$16,550,450

Environment & Natural Resources

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$157,767,236

Legislative Changes

Reserve for Salaries & Benefits

16 Compensation Increase Reserve \$1,986,356 R
 Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

17 State Retirement System Contributions \$340,450 R
 Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

Aquariums

18 Admission Receipts (1355) (\$180,000) R
 Budgets additional admission fee receipts to offset General Fund support of the State's three aquariums. Admission fees were increased by \$2.95 for all age groups effective March 1, 2014, and are estimated to generate an additional \$1.4 million in new revenue.

Coastal Management

19 Public Information Efforts (1625) (\$42,601) R
 Reduces funding for a Public Information Officer position (60031534) by 50% in the Division of Coastal Management by cost sharing the position with the Department's Office of Public Affairs. This position will be split between the Division and the Office of Public Affairs where it will support department-wide issues.

-0.50

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FY 14-15

Energy, Mineral and Land Resources

20 Position Reduction (1740) (\$61,049) R
 Abolishes a vacant Environmental Senior Specialist position (65002024) in the Wilmington Regional Office's Stormwater Permitting Section. Six Stormwater Engineers and one Engineer who works on National Pollutant Discharge Elimination System permit program will remain in the Wilmington Office. -1.00

21 University Energy Centers (1749) (\$816,933) NR
 Budgets Stripper Well Settlement funds transferred from budget code 64327-693E to partially offset General Fund support of the university energy centers located at North Carolina State University, North Carolina Agricultural and Technical State University (N.C. A&T), and Appalachian State University. A total of \$1,056,933 is appropriated for these centers.

22 Operating Funds for Oil and Gas Program (1740) \$176,789 R
 Provides operating funds to support the Energy Section's requirement to develop and implement a modern regulatory program for oil and gas exploration and development, and to support the Mining and Energy Commission in developing associated administrative rules.

Environmental Assistance and Customer Service

23 Utility Savings Initiative (1615) (\$183,067) NR
 Budgets Stripper Well Settlement funds transferred from budget code 64327-693E to partially offset General Fund support of the Utility Savings Initiative on a nonrecurring basis.

24 Position Reductions (1615) (\$113,011) R
 Reduces General Fund support for a vacant Environmental Senior Specialist position (60035972) in the Environmental Assistance Center to 50% and abolishes a vacant Senior Economic Developer position (60080986) that was transferred from Commerce as part of the Energy Office move to DENR. The office supplies line-item is reduced by \$314, leaving \$3,147. -1.22

Marine Fisheries

25 Position Shifts (1320) (\$143,760) R
 Fund shifts three Marine Fisheries Technician II positions (60032634, 60032668, 60032653) from General Fund support to federal grant support and takes a corresponding General Fund reduction. -3.00

Conference Report on the Continuation, Capital, and Expansion Budget

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<p>26 Position Reductions (1495) Closes the Marine Fisheries office located in Nags Head for an operating savings of \$19,422, and shifts two positions to home-based operations. Also abolishes two filled positions, an Environmental Health Specialist (60034501), an Environmental Senior Technician (60034515), and a vacant Microbiology Lab Technician III (60034517) that is currently split funded between General Fund support and a federal grant.</p>	<p>(\$148,240)</p> <p>-2.50</p>	<p>R</p>
<p>27 Marine Patrol (1325) Budgets a transfer from the Advance License Sales special fund to offset General Fund support of the Marine Patrol Section on a nonrecurring basis.</p>	<p>(\$1,900,000)</p>	<p>NR</p>
<p>28 At-Sea Observer Program (1320) Eliminates the recurring General Fund support for the At-Sea Observer Program, and provides \$1,039,000 in nonrecurring support for the program in FY 2014-15 from the following sources: \$699,442 from the General Fund and \$339,558 from the Advance License Sales special fund. Recurring support will be provided from increases in six commercial fishing license fees, which will begin to be collected in the second quarter of 2015.</p>	<p>(\$289,000)</p> <p>\$699,442</p>	<p>R</p> <p>NR</p>
<p>29 Marine Oyster Sanctuary (1320) Provides funding for habitat mapping and water column/benthic data collection associated with establishing an oyster sanctuary. Also supports any advance analysis and studies that may be required by State or federal agencies to permit shellfish conservation efforts in the sanctuary.</p>	<p>\$150,000</p>	<p>R</p>
<p>30 Fisheries Information Network System (1315) Transfers \$1.6 million from the unencumbered cash balance in the Advance License Sales special fund to support the upgrade of the Fisheries Information Network System.</p>		
<p>Museum of Natural Sciences</p>		
<p>31 Operating Reductions (1360) Reduces Museum funding by 1.6% by abolishing a vacant Administrative Assistant I position (60035022) and reducing funding for temporary wages. Also reduces salary reserve by \$30,000 and the carpentry and hardware supplies line-item by \$30,785.</p>	<p>(\$195,616)</p> <p>-1.00</p>	<p>R</p>

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

Office of Land and Water Stewardship

- 32 One NC Naturally Initiative (1610)** (\$59,274) R
 Abolishes a filled Educational Development Consultant position (60036213) that provided outreach and education programs for the One NC Naturally initiative to generate interest in and understanding of the State's conservation needs. Duties will be shifted to the remaining employees. -1.00

- 33 Clean Water Management Trust Fund (1115)** \$500,000 NR
 Provides an additional \$500,000 for the Trust Fund in FY 2014-15 bringing the total funding available to \$14.1 million. There is a corresponding special provision.

Parks and Recreation

- 34 Operating Reductions (1280)** (\$414,616) R
 Abolishes a vacant State Parks Facility Architect position (60092635) supported by the Parks and Recreation Trust Fund. Also reduces various equipment line-items including but not limited to motor vehicles, boats, trailers, voice communication equipment and computers and printers. Operating funds of \$9.6 million remain after this reduction. -1.00

- 35 Camp Sertoma Land Management (1280)** \$70,000 R
 Provides funds to support the management of the Camp Sertoma Property, which is being transferred from the University System to the State Parks System in Section 11.7(d) of this Act.

- 36 Parks and Recreation Trust Fund (1280)** \$75,000 NR
 Provides grant funding to the Town of Emerald Isle for the Senator Preston Memorial Park.

Secretary's Office

- 37 Salary Reserve (1140)** (\$34,949) R
 Reduces salary reserve available within the Secretary's Office.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

38 Public Information Office (1140)

Expands the Department's public information efforts by transferring 50% of a Public Information Officer position (60031534) from the Division of Coastal Management to the Office of Public Affairs. Position will be supported by indirect cost receipts.

Waste Management

39 Solid Waste Section (1760)

(\$23,606) R

Reduces the legal services and motor vehicle insurance line-items in the Solid Waste Section, leaving \$174,974 for these purposes.

40 Waste Management (1760)

(\$500,000) R

Budgets a transfer of solid waste disposal tax receipts to replace General Fund support of positions that inspect and permit hazardous waste and solid waste facilities. Positions also enforce hazardous waste, solid waste and inactive hazardous sites management standards, and ensure the development and implementation of comprehensive plans for management of waste.

41 Noncommercial Fund (1910)

\$3,417,105 R

Provides a \$3.4 million recurring appropriation for the Noncommercial Leaking Petroleum Underground Storage Tank Fund to assist homeowners with the cleanup cost of petroleum releases from home heating oil tanks and small farm tanks.

Water Infrastructure

42 Operating Support (1460)

(\$10,000) R

Reduces the supplies line item on a recurring basis, leaving \$5,000 for this purpose.

43 Drinking Water State Revolving Fund (DWSRF) (1460)

(\$1,400,000) NR

Reduces funding for the DWSRF State match by \$600,000 due to an anticipated decrease in the federal capitalization grant for the program in federal fiscal year 2014-15. Also transfers \$800,000 in unused DWSRF State matching funds back to the division's General Fund budget and takes a corresponding nonrecurring reduction in FY 2014-15.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

44 Water and Sewer Grants (1460)

Provides additional funds for water and sewer infrastructure development projects in Tier I and Tier II counties. There is a corresponding special provision.

\$1,000,000 NR

Water Resources

45 Position Reductions (1620 & 1690)

Abolishes a filled Business & Technology Applications Technician position (60031523) in the Water Resources Management Section and also abolishes a vacant Environmental Regional Supervisor (60035227) in the Fayetteville Regional Office. A receipt-supported supervisor from the Central Office will be reassigned to replace the regional supervisor position.

(\$155,976) R

-2.00

Zoological Park

46 Zoo Trams (1305)

Reduces funds to the motorized vehicles line item on a nonrecurring basis.

(\$208,624) NR

Total Legislative Changes

\$3,769,002 R

(\$2,234,182) NR

Total Position Changes

-13.22

Revised Budget

\$159,302,056

Wildlife Resources Commission

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session	\$14,476,588
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Legislative Changes

Reserve for Salaries & Benefits

47 Compensation Increase Reserve	\$225,059	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.		

48 State Retirement System Contributions	\$40,686	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.		

Wildlife Resources Commission

49 Management Flexibility Reserve	(\$289,532)	R
Reduces funding to the Commission by 16% by creating a management flexibility reserve. The Director shall prioritize the recurring portion of the reduction on elimination of positions that are redundant, newly created, and vacant.		
	(\$2,000,000)	NR

50 Beaver Management Assistance Program (1151)	(\$7,700)	R
Reduces funding for the Beaver Management Assistance Program by 2%. A total of \$377,300 remains in the budget to support the Program.		

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

51 Position Adjustments

(\$168,785) R

Offsets General Fund appropriated salaries in each of the following programs by budgeting additional fishing and hunting license receipts transferred from the Wildlife Resources Fund established in G.S. 143-250:

- 1101: Administrative Policy and Regulation (\$38,245)
- 1111: Controller's Office (\$26,678)
- 1113: Information Technology (\$58,883)
- 1115: Purchasing Services Warehouse (\$17,825)
- 1116: Budget, Planning and Audit (\$10,386)
- 1117: Personnel (\$16,768)

52 Budget Realignments

(\$113,047) R

Reduces receipt supported line-items in the customer service and information technology sections and realigns those funds to offset General Fund appropriated salaries in each of those sections as follows:

- 1112: Customer Service (\$29,122)
- 1113: Information Technology (\$83,925)

53 Federal Grant Funds (1166)

(\$1,000,000) R

Budgets an increase in a federal grant for game land operations and maintenance and reduces the General Fund appropriation by the same amount.

Total Legislative Changes	(\$1,313,319)	R
	(\$2,000,000)	NR
Total Position Changes		
Revised Budget	\$11,163,269	

Conference Report on the Continuation, Capital, and Expansion Budget

Commerce

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session	\$56,733,282
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Legislative Changes

Department-wide

54 Management Flexibility Reserve	(\$1,022,654)	R
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Reduces funding to the Department by 2%, resulting in a revised General Fund appropriation of \$50.1 million (exclusive of Industrial Commission). The Secretary shall prioritize the elimination of positions that are redundant, newly created, and vacant.

Reserve for Salaries & Benefits

55 Compensation Increase Reserve	\$337,402	R
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

56 State Retirement System Contributions	\$68,996	R
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

Administration

57 Special Funds (1111)

Offsets the General Fund appropriation for Administration by directing the unencumbered cash balance as of June 30, 2014 from the following funds toward operating costs:

(\$663,839) NR

- Economic Development Reserve (24609-2584)
- Energy Research Grants Special Fund (24609-2537)
- NC Green Business Fund (24609-2535)
- One NC Small Business Fund (24609-2562)
- Main Street Solutions Special Fund (24613-2622)

The Economic Development Reserve Fund is closed after the transfer. There is a corresponding special provision.

58 Purchasing Officer (1111)

Eliminates a vacant Purchasing Officer position (60077170).

(\$76,728) R

-1.00

Commerce Finance Center

59 Job Maintenance and Capital Development Fund (JMAC) (1581)

Reduces funds appropriated for JMAC payments. A total of \$7.5 million is available for payments to Bridgestone, Goodyear, and Domtar for the 2013 grant year. Funds disbursed in FY 2013-14 were less than what was appropriated due to companies' underperformance.

(\$364,097) NR

Industrial Commission

60 Compromise Settlement Agreement Fees (1831)

Shifts Industrial Commission expenses to Compromise Settlement Agreement fee receipts in the General Fund, which will now be fully budgeted in the General Fund. Net General Fund appropriation to the Commission will be \$5 million.

(\$500,000) R

61 Special Fund (1831)

Offsets the General Fund appropriation for the Industrial Commission by directing the unencumbered cash balance as of June 30, 2014 from the Investigation Management System Special Fund (24611-2240) toward operating costs. This fund is closed after the transfer.

(\$125,000) NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

62 Investigation Management System (1831)

(\$75,000) R

Eliminates funding for the Industrial Commission's Investigation Management System, which was intended to process, prioritize, and track investigations by the Insurance Compliance Program. Funding was appropriated to the Commission in FY 2013-14 but has not been used. The Commission is working with the Office of Information Technology Services to evaluate future system needs.

Labor and Economic Analysis Division

63 Common Follow-Up System (CFS) (1130)

Budgets \$500,000 in nonrecurring receipts for CFS; the Commission on Workforce Development will prescribe a method for calculating the amount that participating agencies shall contribute to CFS. Agencies will transfer funds by December 31, 2014. There is a corresponding special provision.

64 AccessNC and Demand Driven Data Delivery System (D4) (1130)

\$250,000 NR

Provides nonrecurring funding for contractual services to merge two information technology platforms (AccessNC and D4). AccessNC inventories available business sites statewide and provides economic data to the public. D4 publishes labor market data. There is a corresponding special provision.

Reserves and Transfers

65 Film and Entertainment Grant Fund (1912)

\$10,000,000 NR

Provides funds to encourage the production of motion pictures, television shows, and commercials and to develop the film-making industry within the State. There is a corresponding special provision.

66 Job Catalyst Fund (1912)

\$20,000,000 NR

Provides funds to encourage the creation of jobs and investment within the manufacturing industry in North Carolina. This item is contingent upon H.B. 1224, 2013 Regular Session, becoming law.

67 Challenge Grant for Study of Future Use of Broughton Hospital

\$200,000 NR

Provides funds for a challenge grant for a study of the future use of Broughton Hospital facilities.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

Rural Economic Development

68 Limited Resource Communities Grants (1534)

Reduces funds appropriated to the Limited Resource Communities Grant program established in Section 15.10B of S.L. 2014-360 leaving \$1.25 million in recurring support. Also, appropriates \$500,000 on a nonrecurring basis in FY 2014-15. There is a corresponding special provision.

(\$1,293,021) R
\$500,000 NR

69 Rural Economic Development Division

Reduces Rural Economic Development Division funds to partially offset Community Development Block Grant (CDBG) cash match expansion. Reductions may not be taken to Rural Grant programs. There is a corresponding special provision.

(\$318,750) R

70 Community Development Block Grant (CDBG) (1620)

Provides 50% of the required cash match for the CDBG program. FY 2014-15 funds shall be used to purchase and install a new grants management software program. The other 50% match will be in-kind, achieved via staff salaries who are dedicated to full-time CDBG activities. There is a corresponding special provision.

\$637,500 R

71 NC Broadband (1477)

Provides six months of nonrecurring funding to allow for continuation of the NC Broadband program from January 1, 2015 to June 30, 2015 as federal funding ends December 31, 2014. There is a corresponding special provision.

\$250,000 NR

72 Grant Program Expansion (1534)

Appropriates on a nonrecurring basis \$1.25 million to the Rural Economic Development Division grant programs. Funds may not be used for administrative costs. There is a corresponding special provision.

\$1,250,000 NR

Workforce Solutions

73 Apprenticeship Program (1912)

Budgets \$300,000 in nonrecurring receipts for the Apprenticeship Program from the Community Colleges System Office to offset forgone revenue for waived apprentice fees in FY 2014-15. The Department of Commerce will evaluate the fee waivers effect on increasing participation in the program before requesting a permanent fee change.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

Total Legislative Changes	(\$2,242,255)	R
	\$31,297,064	NR
Total Position Changes	-1.00	
Revised Budget	\$85,788,091	

Commerce - State Aid

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session	\$15,624,767
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Legislative Changes

Biotechnology Center

74 Biotechnology Center (1121)

Increases General Fund support to the Biotechnology Center by \$1 million. Total funding to the Center will total \$13.6 million for FY 2014-15. There is a corresponding special provision.	\$1,000,000	NR
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Earl Scruggs Center

75 Earl Scruggs Center

Provides \$250,000 in nonrecurring funding to the Earl Scruggs Center to support activities related to the history and cultural traditions of Cleveland County.	\$250,000	NR
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Farm Bureau - Ag in the Classroom

76 Ag in the Classroom (1913)

Eliminates funding to the Ag in the Classroom program due to inability to spend funds.	(\$21,175)	R
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Grassroots Science Museums

77 Museum Additions (1913)

Provides base funding to three additional museums (Marbles in Raleigh, HandsOn! in Hendersonville, and Cowan in Kenansville) and eliminates funding to the Health Adventure museum in Asheville due to closure.	\$100,648	R
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Research Triangle Institute

78 Research Triangle Institute Grant (1913)

Provides \$500,000 in nonrecurring funding to the Research Triangle Institute for US Department of Energy grant match requirements. Research findings will be shared with the State Energy Office.	\$500,000	NR
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Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

Total Legislative Changes	\$79,473	R
	\$1,750,000	NR
Total Position Changes		
Revised Budget	\$17,454,240	

DACS - Special Revenue

Budget Code: 23700

	FY 2014-15
Beginning Unreserved Fund Balance	\$9,332,705
Recommended Budget	
Requirements	\$9,997,390
Receipts	\$7,230,638
Positions	34.00

Legislative Changes

Requirements:

Sleep Products (2500)	\$0	R
Reverts over \$1.1 million from existing cash balance to the General Fund.	\$1,196,785	NR
	0.00	
Research Stations NR Fund (2185)	\$0	R
Reverts funds in excess of the \$1 million cash balance cap on the fund.	\$11,208	NR
	0.00	
Plasticulture Tech Training (2147)	\$0	R
Reverts existing cash balance to the General Fund and closes fund code 2147 - Plasticulture Tech Training.	\$2,697	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$1,210,690	NR
	0.00	

Receipts:

Sleep Products (2500)	\$0	R
Reverts over \$1.1 million from existing cash balance to the General Fund.	\$0	NR
Research Stations NR Fund (2185)	\$0	R
Reverts funds in excess of the \$1 million cash balance cap on the fund.	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

	FY 2014-15
Plasticulture Tech Training (2147)	\$0 R
Reverts existing cash balance to the General Fund and closes fund code 2147 - Plasticulture Tech Training.	\$0 NR
Subtotal Legislative Changes	\$0 R
	\$0 NR
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Revised Total Requirements	\$11,208,080
Revised Total Receipts	\$7,230,638
Change in Fund Balance	(\$3,977,442)
Total Positions	34.00
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Unappropriated Balance Remaining	\$5,355,263

DACS - Warehouse Investment Fund

Budget Code: 23701

	FY 2014-15
Beginning Unreserved Fund Balance	\$32,438
Recommended Budget	
Requirements	\$0
Receipts	\$0
Positions	0.00

Legislative Changes

Requirements:

Warehouse Investment Fund (2201)	\$0	R
Reverts existing cash balance to the General Fund and closes budget code 23701 - DACS - Warehouse Investment Fund.	\$32,438	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$32,438	NR
	0.00	

Receipts:

Warehouse Investment Fund	\$0	R
Reverts existing cash balance to the General Fund and closes budget code 23701 - DACS - Warehouse Investment Fund.	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$32,438
Revised Total Receipts	\$0
Change in Fund Balance	(\$32,438)
Total Positions	0.00

Unappropriated Balance Remaining	\$0
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DACS - Soil & Water Conservation

Budget Code: 23704

	FY 2014-15
Beginning Unreserved Fund Balance	\$13,247,553
Recommended Budget	
Requirements	\$10,261,581
Receipts	\$9,581,537
Positions	1.00

Legislative Changes

Requirements:

Swine Waste Fund (2730)	\$0	R
Reverts a portion of unencumbered funds appropriated in FY 2007-08 for swine waste management practices due to low demand.	\$206,552	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$206,552	NR
	0.00	

Receipts:

Swine Waste Fund (2730)	\$0	R
Reverts a portion of unencumbered funds appropriated in FY 2007-08 for swine waste management practices due to low demand.	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$10,468,133
Revised Total Receipts	\$9,581,537
Change in Fund Balance	(\$886,596)
Total Positions	1.00

Unappropriated Balance Remaining	\$12,360,957
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DENR - Special

Budget Code: 24300

	FY 2014-15
Beginning Unreserved Fund Balance	\$19,291,529
Recommended Budget	
Requirements	\$46,315,424
Receipts	\$37,223,777
Positions	275.50

Legislative Changes

Requirements:

Aquariums Admissions Fund (2865)	\$1,400,000	R
Increases the transfer of admission fee receipts to the aquariums' General Fund budget by \$180,000 to support the operations of the State's three aquariums. Also budgets additional fee receipts of \$1,220,000 in the North Carolina Aquariums Fund.	\$0	NR
	0.00	
 Inspection & Maintenance Pollution Control	 \$0	 R
No adjustment necessary.	\$0	NR
	0.00	
 Advance License Sales (2392)	 \$0	 R
Transfers the cash balance in the Advance Licenses Sales Fund to the Division of Marine Fisheries for the following items:	\$3,839,558	NR
Marine Patrol Section - \$1,900,000	0.00	
Fisheries Information Network System - \$1,600,000		
At Sea Observer Program - \$339,558		
 Subtotal Legislative Changes	 \$1,400,000	 R
	\$3,839,558	NR
	0.00	

Receipts:

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Aquariums Admissions Fund (2865)

\$1,400,000 R

Budgets additional admission fee receipts anticipated to be generated as the result of a fee increase at the State's three aquariums and Jennette's Pier. Aquarium admission fees were increased by \$2.95 for all age groups. Pier fees were increased for multi-day fishing passes and sightseeing passes.

\$0 NR

Inspection & Maintenance Pollution Control (2338)

\$0 R

Diverts \$3.3 million of the emissions inspection fee from the I & M Air Pollution Control Account to the General Fund in FY 2014-15. Directs the Division of Air Quality to use its cash balance to support the pollution control program for mobile sources in FY 2014-15. There is a corresponding special provision.

(\$3,300,000) NR

Advance License Sales (2392)

\$0 R

No adjustment necessary.

\$0 NR

Subtotal Legislative Changes

\$1,400,000 R

(\$3,300,000) NR

Revised Total Requirements

\$51,554,982

Revised Total Receipts

\$35,323,777

Change in Fund Balance

(\$16,231,205)

Total Positions

275.50

Unappropriated Balance Remaining

\$3,060,324

Reserve for Air Quality - Fuel Tax

Budget Code: 24301

	FY 2014-15
Beginning Unreserved Fund Balance	\$1,675,632
Recommended Budget	
Requirements	\$9,678,445
Receipts	\$9,664,348
Positions	99.60
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Legislative Changes	
Requirements:	
Air Quality Fuel Tax (2334)	\$0 R
No adjustment necessary.	\$0 NR
	0.00
Subtotal Legislative Changes	\$0 R
	\$0 NR
	0.00
<hr/>	
Receipts:	
Air Quality Fuel Tax (2334)	\$0 R
Diverts \$1 million of the fuel tax allocated to the Water and Air Account pursuant to G.S. 105-449.125 from Account to the General Fund in FY 2014-15. Directs the Division of Air Quality to use the cash balance for operations to replace the diverted revenue for one-year.	(\$1,000,000) NR
Subtotal Legislative Changes	\$0 R
	(\$1,000,000) NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$9,678,445
Revised Total Receipts	\$8,664,348
Change in Fund Balance	(\$1,014,097)
Total Positions	99.60

Unappropriated Balance Remaining	\$661,535
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DENR - Marine Conservation Fund

Budget Code: 24303

	FY 2014-15
Beginning Unreserved Fund Balance	\$228,527
Recommended Budget	
Requirements	\$208,776
Receipts	\$47,737
Positions	0.00

Legislative Changes

Requirements:

North Carolina Marine Conservation Fund (2990)	(\$19,557) R
Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.	\$0 NR
	0.00
Subtotal Legislative Changes	(\$19,557) R
	\$0 NR
	0.00

Receipts:

North Carolina Marine Conservation Fund (2990)	(\$19,557) R
Redirects interest earnings credited to the Marine Conservation Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$990 annually.	\$0 NR
Subtotal Legislative Changes	(\$19,557) R
	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$189,219
Revised Total Receipts	\$28,180
Change in Fund Balance	(\$161,039)
Total Positions	0.00

Unappropriated Balance Remaining	\$67,488
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DENR - Clean Water Management Fund

Budget Code: 24305

	FY 2014-15
Beginning Unreserved Fund Balance	\$26,968,832
Recommended Budget	
Requirements	\$8,686,976
Receipts	\$8,686,976
Positions	0.00

Legislative Changes

Requirements:

Clean Water Management Trust Fund (2002)	(\$260,000) R
Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.	\$0 NR
	0.00
Subtotal Legislative Changes	(\$260,000) R
	\$0 NR
	0.00

Receipts:

Clean Water Management Trust Fund (2002)	(\$260,000) R
Redirects interest earnings credited to the Clean Water Management Trust Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$256,590 annually.	\$0 NR
Subtotal Legislative Changes	(\$260,000) R
	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$8,426,976
Revised Total Receipts	\$8,426,976
Change in Fund Balance	\$0
Total Positions	0.00

Unappropriated Balance Remaining	\$26,968,832
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DENR - Dry Cleaning Solvent Tax

Budget Code: 24306

	FY 2014-15
Beginning Unreserved Fund Balance	\$9,613,324
Recommended Budget	
Requirements	\$16,108,204
Receipts	\$15,235,048
Positions	18.80

Legislative Changes

Requirements:

Dry-Cleaning Solvent Cleanup Fund (2127)	(\$1,136,500) R
Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.	\$0 NR
	0.00
Subtotal Legislative Changes	(\$1,136,500) R
	\$0 NR
	0.00

Receipts:

Dry-Cleaning Solvent Cleanup Fund (2127)	(\$1,136,500) R
Redirects interest earnings credited to the Dry-Cleaning Solvent Cleanup Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$46,935 annually.	\$0 NR
Subtotal Legislative Changes	(\$1,136,500) R
	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$14,971,704
Revised Total Receipts	\$14,098,548
Change in Fund Balance	(\$873,156)
Total Positions	18.80

Unappropriated Balance Remaining	\$8,740,168
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DENR - Parks and Recreation Trust Fund

Budget Code: 24309

	FY 2014-15	
Beginning Unreserved Fund Balance	\$24,793,469	
Recommended Budget		
Requirements	\$11,968,082	
Receipts	\$13,523,231	
Positions	0.00	
<hr/>		
Legislative Changes		
Requirements:		
Parks and Recreation Trust Fund Interest (2235)	(\$130,000)	R
Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.	\$0	NR
	0.00	
Subtotal Legislative Changes	(\$130,000)	R
	\$0	NR
	0.00	
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Receipts:		
Parks and Recreation Trust Fund Interest (2235)	(\$130,000)	R
Redirects interest earnings credited to the Parks and Recreation Trust Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$106,120 annually.	\$0	NR
Subtotal Legislative Changes	(\$130,000)	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$11,838,082
Revised Total Receipts	\$13,393,231
Change in Fund Balance	\$1,555,149
Total Positions	0.00

Unappropriated Balance Remaining	\$26,348,618
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DENR - Special Interest Bearing

Budget Code: 24318

	FY 2014-15
Beginning Unreserved Fund Balance	\$796,808
Recommended Budget	
Requirements	\$400,000
Receipts	\$400,000
Positions	1.00

Legislative Changes

Requirements:

Bernard Allen Drinking Water Fund (2054)	\$0 R
No adjustment necessary.	\$0 NR
	0.00
Subtotal Legislative Changes	\$0 R
	\$0 NR
	0.00

Receipts:

Bernard Allen Drinking Water Fund (2054)	\$0 R
Redirects interest earnings credited to the Bernard Allen Memorial Emergency Drinking Water Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$2,725 annually. No impact to the Fund is anticipated because interest earnings were not budgeted to be spent.	\$0 NR
Subtotal Legislative Changes	\$0 R
	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$400,000
Revised Total Receipts	\$400,000
Change in Fund Balance	\$0
Total Positions	1.00

Unappropriated Balance Remaining	\$796,808
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DENR - Waste Water Operating Training

Budget Code: 64301

	FY 2014-15
Beginning Unreserved Fund Balance	\$581,192
Recommended Budget	
Requirements	\$658,489
Receipts	\$568,384
Positions	7.00

Legislative Changes

Requirements:

Water Pollution Control System Account (6342)	(\$19,125) R
Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.	\$0 NR
	0.00
Subtotal Legislative Changes	(\$19,125) R
	\$0 NR
	0.00

Receipts:

Water Pollution Control System Account (6342)	(\$19,125) R
Redirects interest earnings credited to the Water Pollution Control System Account to the General Fund on a permanent basis. Interest earnings are estimated to be \$2,130 annually.	\$0 NR
Subtotal Legislative Changes	(\$19,125) R
	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$639,364
Revised Total Receipts	\$549,259
Change in Fund Balance	(\$90,105)
Total Positions	7.00

Unappropriated Balance Remaining	\$491,087
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DENR - Commercial LUST Cleanup

Budget Code: 64305

	FY 2014-15
Beginning Unreserved Fund Balance	\$87,735,200
Recommended Budget	
Requirements	\$31,408,298
Receipts	\$29,881,200
Positions	14.20

Legislative Changes

Requirements:

Brownfield Superfund Fund (6376)	\$0		R
No adjustment necessary.			
	\$0		NR
	0.00		
Commercial Leaking Petroleum UST Fund (6370)	(\$30,000)		R
Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.			
	\$0		NR
	0.00		
Emergency Response Fund (6373)	\$0		R
No adjustment necessary.			
	\$0		NR
	0.00		
Inactive Hazardous Sites Cleanup Fund (6372)	\$0		R
No adjustment necessary.			
	\$0		NR
	0.00		
Inactive Hazardous Sites Fund -SB 1492 (6379)	\$0		R
No adjustment necessary.			
	\$0		NR
	0.00		

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Administrative Funds (6379)	(\$500,000)	R
Transfers a portion of the solid waste disposal tax allowed for administrative expenses to the Division of Waste Management's General Fund budget to support positions in the Solid Waste and Hazardous Waste sections. There is a corresponding special provision that increases the administrative allowance.	\$0	NR
	0.00	
Noncommercial Leaking Petroleum UST Fund (6371)	(\$70,000)	R
Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.	\$0	NR
	0.00	
Superfund Cost Share (6375)	(\$28,561)	R
Adjusts program requirements to reflect the loss of budgeted interest earnings that are being redirected to the General Fund on a permanent basis.	\$0	NR
	0.00	
Subtotal Legislative Changes	(\$628,561)	R
	\$0	NR
	0.00	

Receipts:

Brownfield Superfund Fund (6376)	\$0	R
Redirects interest earnings credited to the Brownfield Superfund Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$3,075 annually. No impact to the Fund is anticipated because interest earnings were not budgeted to be spent.	\$0	NR
Commercial Leaking Petroleum UST Fund (6370)	(\$30,000)	R
Redirects interest earnings credited to the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$179,215 annually.	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Emergency Response Fund (6373)

\$0 R

Redirects interest earnings credited to the Emergency Response Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$2,210 annually. No impact to the Fund is anticipated because interest earnings were not budgeted to be spent.

\$0 NR

Inactive Hazardous Sites Cleanup Fund (6372)

\$0 R

Redirects interest earnings credited to the Inactive Hazardous Sites Cleanup Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$23,980 annually. No impact to the Fund is anticipated because interest earnings were not budgeted to be spent.

\$0 NR

Inactive Hazardous Sites Cleanup Fund (6379)

\$0 R

Redirects interest earnings credited to the Inactive Hazardous Sites Cleanup Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$137,445 annually. No impact to the Fund is anticipated because interest earnings were not budgeted to be spent.

\$0 NR

Noncommercial Leaking Petroleum UST Fund (6371)

(\$70,000) R

Redirects interest earnings credited to the Noncommercial Leaking Petroleum Underground Storage Tank Cleanup Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$2,400 annually.

\$0 NR

Superfund Cost Share (6375)

(\$28,561) R

Redirects interest earnings credited to the Superfund Cost Share Fund to the General Fund on a permanent basis. Interest earnings are estimated to be \$29,280 annually.

\$0 NR

Subtotal Legislative Changes

(\$128,561) R

\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$30,779,737
Revised Total Receipts	\$29,752,639
Change in Fund Balance	(\$1,027,098)
Total Positions	14.20

Unappropriated Balance Remaining	\$86,708,102
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DENR - Drinking Water State Revolving Fund

Budget Code: 64320

	FY 2014-15
Beginning Unreserved Fund Balance	\$88,864,479
Recommended Budget	
Requirements	\$53,707,408
Receipts	\$46,934,583
Positions	47.20

Legislative Changes

Requirements:

Drinking Water State Revolving Fund (6D12)	\$0 R
Transfers \$800,000 from the cash balance to the Division of Water Infrastructure in the Department of Environment and Natural Resources. These funds were not needed to meet the State match in FY 2013-14.	(\$800,000) NR
	0.00

Subtotal Legislative Changes	\$0 R
	(\$800,000) NR
	0.00

Receipts:

Drinking Water State Revolving Fund (6D12)	\$0 R
No adjusty.	\$0 NR

Subtotal Legislative Changes	\$0 R
	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$52,907,408
Revised Total Receipts	\$46,934,583
Change in Fund Balance	(\$5,972,825)
Total Positions	47.20

Unappropriated Balance Remaining	\$82,891,654
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DENR - Energy Stripper Well

Budget Code: 64327

	FY 2014-15
Beginning Unreserved Fund Balance	\$2,037,967
Recommended Budget	
Requirements	\$0
Receipts	\$0
Positions	0.00

Legislative Changes

Requirements:

Petroleum Violation Escrow Funds (693E)	\$0	R
Transfers \$1,000,000 from the cash balance in the Stripper Well fund to the Division of Energy, Mineral and Land Resources to offset the General Fund support of the university energy centers and the Utility Savings Initiative.	\$1,000,000	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$1,000,000	NR
	0.00	

Receipts:

Petroleum Violation Escrow Funds (693E)	\$0	R
No adjy.	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$1,000,000
Revised Total Receipts	\$0
Change in Fund Balance	(\$1,000,000)
Total Positions	0.00

Unappropriated Balance Remaining	\$1,037,967
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Disaster Relief Fund

Budget Code: 24602

	FY 2014-15
Beginning Unreserved Fund Balance	\$3,317,157
Recommended Budget	
Requirements	\$1,500,000
Receipts	\$1,500,000
Positions	0.00

Legislative Changes

Requirements:

Small Bus Loans, Hurricane Floyd (2959)	\$0	R
Transfers all but \$1,000 to a reserve in the Department of Public Safety for LiDAR topological mapping (14550-1504).	\$122,243	NR
	0.00	
Small Bus Loans, 2005 Disaster Recovery (2966)	\$0	R
Transfers all but \$96,157 to a reserve in the Department of Public Safety for LiDAR topological mapping (14550-1504).	\$3,097,757	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$3,220,000	NR
	0.00	

Receipts:

Disaster Relief Fund (24602)	\$0	R
	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$4,720,000
Revised Total Receipts	\$1,500,000
Change in Fund Balance	(\$3,220,000)
Total Positions	0.00

Unappropriated Balance Remaining	\$97,157
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Commerce - Special Revenue - GF

Budget Code: 24609

	FY 2014-15
Beginning Unreserved Fund Balance	\$13,537,607
Recommended Budget	
Requirements	\$29,389,508
Receipts	\$28,748,168
Positions	4.00
<hr/>	
Legislative Changes	
Requirements:	
Economic Development Reserve (2584)	\$0 R
Transfers cash balance to Commerce's Administration Division to offset operating expenses.	\$49,687 NR
Fund 24609-2584 is closed.	0.00
Energy Research Grants (2537)	\$0 R
Transfers a portion of the cash balance to Commerce's Administration Division to offset operating expenses.	\$3,674 NR
	0.00
NC Green Business Fund (2535)	\$0 R
Transfers a portion of the cash balance to Commerce's Administration Division to offset operating expenses.	\$19,018 NR
	0.00
One North Carolina Small Business Fund (2562)	\$0 R
Transfers a portion of the cash balance to Commerce's Administration Division to offset operating expenses.	\$172,687 NR
	0.00
Ag Gas Expansion	\$2,500,000 R
Establishes a special fund for Expanded Gas Products Service to Agriculture.	\$1,000,000 NR
	0.00
IDF Utility Account (2568)- Ag Gas Expansion	\$2,500,000 R
Transfers \$2.5 million in recurring receipts and \$1 million of cash balance to the newly established special fund for Expanded Gas Products Service to Agriculture.	\$1,000,000 NR
	0.00

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

IDF Utility Account (2568)	\$0	R
Transfers \$5 million of the cash balance to General Fund availability.	\$5,000,000	NR
	0.00	
One North Carolina Small Business Fund (2562)	\$0	R
Receives \$2.5 million from the One NC Fund.	\$2,500,000	NR
	0.00	
One North Carolina Fund (2560)	\$0	R
Transfers \$2.5 million cash balance to the One North Carolina Small Business Fund.	\$2,500,000	NR
	0.00	
IDF Utility Account (2568)	\$0	R
Transfers \$1 million of cash balance to the Main Street Solutions Fund.	\$1,000,000	NR
	0.00	
Subtotal Legislative Changes	\$5,000,000	R
	\$13,245,066	NR
	0.00	

Receipts:

Economic Development Reserve (2584)	\$0	R
	\$0	NR
Energy Research Grants (2537)	\$0	R
	\$0	NR
NC Green Business Fund (2535)	\$0	R
	\$0	NR
One North Carolina Small Business Fund (2562)	\$0	R
Receives \$2.5 million from the One NC Fund.	\$2,500,000	NR
Ag Gas Expansion	\$2,500,000	R
Establishes a special fund for Expanded Gas Products Service to Agriculture.	\$1,000,000	NR

Conference Report on the Continuation, Capital, and Expansion Budget

	FY 2014-15	
One North Carolina Fund (2560)	\$0	R
	\$0	NR
IDF Utility Account (2568)	\$6,900,000	R
Increases receipts to reflect FY 2013-14 actuals.	\$0	NR
Subtotal Legislative Changes	\$9,400,000	R
	\$3,500,000	NR
<hr/>		
Revised Total Requirements	\$65,879,640	
Revised Total Receipts	\$54,548,168	
Change in Fund Balance	(\$11,331,472)	
Total Positions	4.00	
<hr/>		
Unappropriated Balance Remaining	\$2,206,135	

Commerce - IT Projects

Budget Code: 24611

	FY 2014-15
Beginning Unreserved Fund Balance	\$975,165
Recommended Budget	
Requirements	\$1,776,205
Receipts	\$1,776,205
Positions	0.00

Legislative Changes

Requirements:

Investigation Management System (2240)	\$0	R
Transfers cash balance to the Industrial Commission to offset operating expenses. Fund 24611-2240 is closed.	\$125,000	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$125,000	NR
	0.00	

Receipts:

Investigation Management System (2240)	\$0	R
	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$1,901,205
Revised Total Receipts	\$1,776,205
Change in Fund Balance	(\$125,000)
Total Positions	0.00

Unappropriated Balance Remaining	\$850,165
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Commerce - Special Revenue

Budget Code: 24613

	FY 2014-15
Beginning Unreserved Fund Balance	\$1,605,141
Recommended Budget	
Requirements	\$77,958
Receipts	\$2,958
Positions	2.00

Legislative Changes

Requirements:

Main Street Solutions (2622)	\$0	R
Transfers cash balance to Commerce's Administration Division to offset operating expenses.	\$418,773	NR
	0.00	
Main Street Solutions (2622)	\$0	R
Receives \$1 million from the IDF Utility Account.	\$1,000,000	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$1,418,773	NR
	0.00	

Receipts:

Main Street Solutions (2622)	\$0	R
Receives \$1 million from the IDF Utility Account.	\$1,000,000	NR
Subtotal Legislative Changes	\$0	R
	\$1,000,000	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$1,496,731
Revised Total Receipts	\$2,002,958
Change in Fund Balance	\$506,227
Total Positions	2.00

Unappropriated Balance Remaining	\$2,111,368
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Commerce – Enterprise

Budget Code: 54600

	FY 2014-15
Beginning Unreserved Fund Balance	\$5,880,653
Recommended Budget	
Requirements	\$46,432,723
Receipts	\$46,229,552
Positions	326.00

Legislative Changes

Requirements:

Underage Drinking Initiative (5883)	(\$2,568) R
Transfers the Underage Drinking Initiative Fund operating budget and associated cash balance to the Department of Public Safety via Type II transfer.	\$1,229,788 NR
	0.00
ABC Warehouse (5882)	(\$8,131,662) R
Transfers the ABC Warehouse Fund operating budget and associated cash balance to the Department of Public Safety via Type II transfer.	\$2,564,818 NR
	0.00
ABC Commission (5881)	(\$4,873,156) R
Transfers the ABC Commission Fund operating budget and associated cash balance to the Department of Public Safety via Type II transfer.	\$1,069,328 NR
	-46.00
Subtotal Legislative Changes	(\$13,007,386) R
	\$4,863,934 NR
	-46.00

Receipts:

Underage Drinking Initiative (5883)	(\$2,568) R
Transfers the Underage Drinking Initiative Fund operating budget and associated cash balance to the Department of Public Safety via Type II transfer.	\$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

	FY 2014-15	
ABC Warehouse (5882)	(\$8,131,662)	R
Transfers the ABC Warehouse Fund operating budget and associated cash balance to the Department of Public Safety via Type II transfer.	\$0	NR
ABC Commission (5881)	(\$4,328,046)	R
Transfers the ABC Commission Fund operating budget and associated cash balance to the Department of Public Safety via Type II transfer.	\$0	NR
Subtotal Legislative Changes	(\$12,462,276)	R
	\$0	NR
<hr/>		
Revised Total Requirements	\$38,289,271	
Revised Total Receipts	\$33,767,276	
Change in Fund Balance	(\$4,521,995)	
Total Positions	280.00	
<hr/>		
Unappropriated Balance Remaining	\$1,358,658	

JUSTICE
&
PUBLIC SAFETY
Section I

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Public Safety

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session	\$1,690,014,006
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Legislative Changes

A. Reserve for Salaries & Benefits

1 Compensation Increase Reserve	\$30,219,820	R
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees and funds the salary increase required by the Teacher Salary Schedule for State agency teachers. Employees eligible for a step increase through a statutory pay plan are provided at least a step increase in lieu of the \$1,000 salary increase.

2 Experience-based Step Increase Reserve - State Highway Patrol	\$1,834,633	R
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Provides funds for at least one experience-based step increase for all step-eligible State Highway Patrol Troopers. Salary increases for step-eligible Troopers range from 5% to 6%. State Highway Patrol Troopers who are not eligible for a step are provided a \$1,000 salary increase. A provision in the Salaries and Benefits part of the Appropriations Act provides additional details on this increase.

3 State Retirement System Contributions	\$4,423,979	R
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

B. Department-wide

4 Management Flexibility Reduction	(\$6,319,863)	NR
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Allows the Department of Public Safety (DPS) to identify additional savings on a nonrecurring basis for FY 2014-15. These reductions will be replaced by the increased savings associated with prison closures and other budget changes that will be annualized in FY 2015-16. This amount is 0.5% of the total DPS budget.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

C. Administration

5 Various Administrative Reductions

(\$625,520) R

Eliminates 3.5 FTE positions that have been vacant for a year or more. The positions are:

-3.50

Fund Code	Position Number	Title	Position Cost
1100	60056105	Office Assistant IV	\$44,833
1100	60084591	Processing Assistant III	\$38,651
1100	60001065	Personnel Analyst II	\$80,958
1250	60000343	Office Assistant IV	\$24,739

This item also makes reductions totaling \$436,339 to various operating line items within the Division of Administration for a total reduction of \$625,520. The total budget for the Division of Administration (including External Affairs, the Governor's Crime Commission, and Victims' Services) after this 1.1% reduction is \$55,961,766.

6 NCVAN (1170)

(\$112,500) R

Eliminates the grant to the NC Victims Assistance Network. This is the last direct appropriation to a non-profit in the Department's budget; the others were eliminated in the 2011 budget. This reduction will have no impact on services provided by State agencies to victims of crime.

D. Law Enforcement

7 State Highway Patrol Vacant Trooper Positions

(\$1,781,325) R

Eliminates 35 vacant trooper positions in the State Highway Patrol (SHP). As of March 2014, there were 134.5 vacant trooper positions, of which 56 had been vacant for longer than six months. These positions are budgeted at the starting trooper salary of \$35,700, for a total position cost of \$50,895 each including retirement, social security, and health benefits. After this reduction, there will be 1,759 sworn law enforcement positions in the Highway Patrol.

-35.00

8 State Highway Patrol Uniforms

\$863,384 R

Increases funding for State Highway Patrol uniforms to provide adequate resources for Troopers. After the reduction in Item 7, there are a total of 1,691 General Fund supported troopers (68 troopers are supported by federal funds). Uniform expenditures for troopers are \$985 each for 1,430 traditional patrol and \$1,008 each for 261 Size and Weight troopers. The total annual cost is \$1,671,638. The Authorized Budget for FY 2014-15 appropriates \$808,254 for this purpose, leaving a shortfall of \$863,384. This item increases the budget for uniforms by 106% to fully fund SHP uniform needs.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

9 NC Trooper's Association Caisson Unit

Provides funding to the NC Trooper's Association (NCTA) Caisson Unit for the purchase of a truck and trailer. The Caisson Unit provides funeral services with a horse-drawn military caisson wagon for fallen law enforcement officers and firefighters in North Carolina and the surrounding states. The Unit is a partnership between NCTA and the State Highway Patrol. The NCTA maintains the horses and equipment and the Highway Patrol provides troopers to perform the funeral missions.

\$100,000 NR

10 State Bureau of Investigation (SBI)

Transfers the SBI from the Department of Justice to the Law Enforcement Division of DPS. A total of 448 FTE positions are transferred, including 11 Special Fund positions and 35.5 receipt supported FTE positions. DPS is directed to identify \$1 million in savings from the merger in FY 2014-15. Consolidation of all of the State's major law enforcement agencies and criminal information sections under DPS should result in additional savings in the future. Medicaid Fraud Investigators who are not funded in Fund Code 1300 may be transferred in FY 2015-16 after further review of the program.

\$31,073,086 R

401.50

11 ALE District Office Consolidation (1401)

Reduces the budget for Alcohol Law Enforcement (ALE) district offices. These offices can be co-located with SBI offices, producing savings in rent and lease costs, utilities, and maintenance agreements. This reduction is a prorated amount based on closures effective October 1, 2014. FY 2015-16 annualized General Fund savings will be \$308,585, a reduction of 4% to the General Fund appropriation of \$6,941,552 for ALE.

(\$231,439) R

12 ALE Positions (1401)

Restores funding for 13 ALE positions that were transferred to nonrecurring receipt support by the Department to meet a management flexibility reduction included in the 2013 budget.

\$724,454 R

13.00

E. Emergency Management and National Guard

13 Geodetic Survey Receipts (1511)

Shifts 1.25 FTE and some operating costs to receipt support. Geodetic Survey has a total budget of \$1,209,391. This item increases budgeted receipts and reduces General Fund support for the program. The budget will be as follows:

(\$89,489) R

-1.25

Total Requirements: \$1,209,391
 Less Receipts: \$ 356,899
 Net General Fund Approp.: \$ 852,492

14 Joint Forces Headquarters Building Repairs (1500)

Reduces Emergency Management's budget for building repairs at its Joint Forces Headquarters facility by 44%. \$111,632 remains in the budget for this purpose.

(\$89,488) R

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

<p>15 Hazardous Materials and Regional Response Teams (1506) Creates a fee structure for facilities that store or process hazardous materials. Funds generated by the fee will be used to fund the Hazardous Materials Database for use by first responders and to support the seven Regional Response Teams (RRT) for Hazardous Materials located in Wilmington, Williamston, Raleigh, Fayetteville, Greensboro, Charlotte and Asheville. The RRT are currently funded by a General Fund appropriation that supports a program coordinator and two emergency management officers, as well as operating costs for the teams. Funds may also be used to provide grants to local emergency management entities for equipment, training and exercises related to hazardous material response. The total amount collected by the fee is estimated to be \$1.5 million.</p>	<p>(\$691,277)</p> <p>-3.00</p>	<p>R</p>
<p>16 Light Detection and Ranging (LiDAR) Technology (1504) Provides \$3,220,000 for LiDAR topographical mapping technology in the Geospatial Technology Management Section. These funds are being transferred to DPS from the Department of Commerce's Disaster Relief Fund.</p>		
<p>17 National Guard Adjutant General's Office (1600) Reduces the National Guard's Adjutant General's administrative services budget by \$6,000 and the employee travel meal account by \$5,000. The total reduction is a 0.23% reduction to the Adjutant General's budget, leaving \$4,690,442.</p>	<p>(\$11,000)</p>	<p>R</p>
<p>18 Tarheel Challenge Academy Provides funding for the operation of a Tarheel Challenge Academy in Stanly County. The new Academy will begin classes in FY 2015-16, but partial year funding is required in FY 2014-15 to hire and train staff. The State provides 25 percent of the costs. The other 75 percent is federally funded. The total annualized operating costs in FY 2015-16 will be \$3,523,233, of which \$880,808 is State funded.</p> <p>This item also provides funding to transition Tarheel Challenge Academy staff in Salemburg from temporary positions to permanent positions. Currently, those positions do not receive health or retirement benefits. The total cost to pay for health and retirement for these positions is \$696,845, of which \$174,211 is the 25 percent State share.</p>	<p>\$425,336</p> <p>13.75</p>	<p>R</p>
<p>F. Adult Correction and Juvenile Justice - Prisons</p>		
<p>19 Regional Office and Female Command Eliminates a prison regional office and the female command and distributes the prisons into four remaining regional offices. Sixteen prisons have closed since 2009 and the four regional offices are capable of supporting the remaining facilities. The female command will end operations effective November 1, 2014, and a regional office for male prisons will close March 1, 2015. FY 2015-16 annualized General Fund savings will be \$1,017,778.</p>	<p>(\$477,134)</p> <p>-11.00</p>	<p>R</p>

Conference Report on the Continuation, Capital, and Expansion Budget

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<p>20 Tillery Correctional Center (CC) and Caledonia Correctional Institution (CI) Consolidates the management of Tillery CC and Caledonia CI in Halifax County. The prisons are adjacent to one another and Tillery CC supports the mission of Caledonia CI.</p>	<p>(\$1,565,182)</p> <p>-32.00</p>	<p>R</p>
<p>21 Operating and Vacant Position Reduction Reduces line items in supplies (\$28,000), medical contracts and equipment (\$258,196), PC software (\$200,000), and training (\$38,299). This item also eliminates 11 vacant healthcare-related positions at NC Correctional Institution for Women and Pender Correctional Institution (\$532,353).</p>	<p>(\$1,056,848)</p> <p>-11.00</p>	<p>R</p>
<p>22 Prison Misdemeanants Eliminates all misdemeanants from State prison. Currently, offenders with sentences between 91-180 days serve their sentence in county jails supported by the Statewide Misdemeanant Confinement Program (SMCP). SMCP is managed by the NC Sheriffs' Association and pays counties for housing, transportation, and medical care for offenders. SMCP will support approximately 1,000 additional misdemeanants with sentences greater than 180 days. This section applies to misdemeanants convicted on or after October 1, 2014, and DWI offenders convicted or after January 1, 2015. SMCP will also expand to provide appropriate treatment for DWI offenders. Currently, North Carolina is one of three states that house misdemeanants in the state prison system without exceptional circumstances. FY 2015-16 annualized General Fund savings will be \$4,374,854.</p>	<p>(\$2,662,357)</p>	<p>R</p>
<p>23 Fountain Correctional Center for Women (CCW) Closes Fountain CCW, a 531-bed minimum-custody unit in Nash County, effective January 1, 2015. This closure is part of the plan to convert Eastern Correctional Institution to a minimum-custody female facility. FY 2015-16 annualized General Fund savings will be \$8,794,623.</p>	<p>(\$4,397,312)</p> <p>-176.00</p>	<p>R</p>
<p>24 North Piedmont CCW Closes North Piedmont Correctional Center for Women, a 136-bed minimum-custody unit in Davidson County, effective August 1, 2014. This closure is part of the plan to convert Eastern Correctional Institution to a minimum-custody female facility. FY 2015-16 annualized General Fund savings will be \$2,143,740.</p>	<p>(\$1,965,095)</p> <p>-44.00</p>	<p>R</p>
<p>25 Eastern CI Converts Eastern Correctional Institution, a 429-bed medium-custody male facility in Greene County, to a minimum-custody female facility effective November 1, 2014. This conversion is part of the Division's prison closure plan and is dependent on the elimination of all misdemeanants from State prison. FY 2015-16 annualized General Fund savings will be \$4,336,433.</p>	<p>(\$2,560,955)</p> <p>-102.00</p>	<p>R</p>
<p>G. Adult Correction and Juvenile Justice - Community Corrections</p>		
<p>26 Burke County Confinement in Response to Violation (CRV) Facility Provides funding, effective October 1, 2014, for a facility dedicated to housing 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 annualized cost for this facility will be \$3,689,886.</p>	<p>\$2,767,414</p> <p>43.00</p>	<p>R</p>

Conference Report on the Continuation, Capital, and Expansion Budget

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27 Robeson County CRV Facility

Provides funding, effective February 1, 2015, for a facility dedicated to housing 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 annualized cost for this facility will be \$3,743,334.

\$1,559,723 R

43.00

28 Vehicles for Probation/Parole Officers (1370)

Provides funds to purchase new vehicles required for 100 new Probation/Parole Officer positions funded in the FY 2014-15 budget. Funds will be transferred to the Department of Administration Motor Fleet Management Division to purchase the vehicles, which will then be leased to the Department of Public Safety. Funds for the annual lease costs of each vehicle were included in the position costs for 175 new Probation/Parole Officers authorized by the Appropriations Act of 2013.

\$1,829,300 NR

Total Legislative Changes

\$55,574,908 R

(\$4,390,563) NR

Total Position Changes

95.50

Revised Budget

\$1,741,198,351

Justice

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session **\$82,308,926**

Legislative Changes

A. Reserve for Salaries & Benefits

29 Compensation Increase Reserve \$989,918 R
 Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

30 State Retirement System Contributions \$150,676 R
 Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

B. Legal Services (1200)

31 DOJ Legal Services – NCGA Litigation Reserve (\$300,000) NR
 Reduces funding for Legal Services. A corresponding \$300,000 increase is made to the North Carolina General Assembly's litigation reserve.

C. State Bureau of Investigation (SBI) (1300)

32 Crime Lab Position Correction (\$267,661) R
 Transfers five positions from the SBI to the NC State Crime Lab. These positions support the operations of the Crime Lab and should have been transferred when the budgets were split into two fund codes in FY 2013-14. The following positions are transferred: -5.00

Number	Title	Total Cost
60011076	Processing Asst IV	\$38,245
60011060	Purchasing Agent II	\$56,074
60011091	Administrative Officer I	\$57,847
60010606	HVAC Technician	\$65,933
60011062	Program Asst V	\$49,562

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

33 Transfer to Department of Public Safety

(\$32,073,086) R

Transfers the SBI from the Department of Justice to the Department of Public Safety (DPS), Law Enforcement Division. A total of 448 FTE positions are transferred, including 11 Special Fund positions and 35.5 receipt supported FTE positions. DPS is directed to identify \$1 million in savings from the merger in FY 2014-15. Consolidation of all of the State's major law enforcement agencies and criminal information sections under DPS should result in additional savings in the future. Medicaid Fraud Investigators who are not funded in Fund Code 1300 may be transferred in FY 2015-16 after further review of the program.

-401.50

D. State Crime Laboratory (1400)

34 Crime Lab Position Correction

\$267,661 R

Transfers five positions from the SBI to the NC State Crime Lab. These positions support the operations of the Crime Lab and should have been transferred when the budgets were split into two fund codes in FY 2013-14. The following positions are transferred:

5.00

Number	Title	Total Cost
60011076	Processing Asst IV	\$38,245
60011060	Purchasing Agent II	\$56,074
60011091	Administrative Officer I	\$57,847
60010606	HVAC Technician	\$65,933
60011062	Program Asst V	\$49,562

35 Toxicology Outsourcing Funds

(\$500,000) R

Reduces the appropriation for private toxicology testing by 66% to \$250,000.

36 Western Crime Lab - Forensic Biology/DNA Unit

\$267,390 R

Provides funding to establish a new Forensic Biology/DNA Unit at the Western Regional Laboratory, effective March 1, 2015. The annualized cost for these positions is \$802,168. Approximately 20% of Forensic Biology/DNA submissions to the Crime Laboratory originate from counties served by the Western Lab. An additional 20% originate from counties served by the Triad Lab. Currently, only the Raleigh Lab has Forensic Biology/DNA capabilities. Adding a unit to the western region will decrease turnaround time on analysis and reduce analysts' court and travel time. The unit will consist of the following positions:

10.00

- 6 Forensic Scientist I
- 2 Forensic Scientist II
- 1 Evidence Technician
- 1 Forensic Scientist Supervisor

Approximately \$1.2 million in federal grant funds will be used to pay for the equipment and other nonrecurring start-up costs for the unit.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

E. Department-wide

37 Management Flexibility Reserve

(\$1,500,000) R

Directs the Department to identify efficiencies in its operations by eliminating positions, transitioning expenditures to receipt support, or reducing operating line items such as travel, purchased services, and supplies. This is a 3.0% reduction to the Department's remaining budget after the transfer of the State Bureau of Investigation. No reductions will be made to the State Crime Laboratory.

Total Legislative Changes	(\$32,665,102)	R
	(\$300,000)	NR
Total Position Changes	-391.50	
Revised Budget	\$49,343,824	

Judicial - Indigent Defense

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$111,357,264

Legislative Changes

A. Reserve for Salaries & Benefits

38 Compensation Increase Reserve

\$648,801 R

Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

39 State Retirement System Contributions

\$153,546 R

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

B. Department-wide

40 Administrative Reduction for the Office of Indigent Defense Services (IDS)

(\$466,380) R

Reduces the appropriation for IDS administrative costs not related to the direct representation of clients.

Total Legislative Changes

\$335,967 R

Total Position Changes

Revised Budget

\$111,693,231

Conference Report on the Continuation, Capital, and Expansion Budget

Judicial

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$456,426,252

Legislative Changes

A. Reserve for Salaries & Benefits

- | | | |
|---|-------------|---|
| 41 Compensation Increase Reserve | \$3,671,777 | R |
| Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees. Employees eligible for a step increase through a statutory pay plan are provided at least a step increase in lieu of the \$1,000 salary increase. | | |
| 42 Experience-based Step Increase Reserve - Assistant & Deputy Clerks of Superior Court | \$3,621,172 | R |
| Provides funds for one experience-based step increase for all step-eligible Assistant and Deputy Clerks of Superior Court. Assistant and Deputy Clerks of Superior Court who are not eligible for a step are provided a \$1,000 salary increase. | | |
| 43 Experience-based Step Increase Reserve - Magistrates | \$3,733,327 | R |
| Increases the entry rate of pay and all subsequent steps of the Magistrate pay plan defined in G.S. 7A-171.1(a)(1) and provides all step-eligible Magistrates with one step. Salaries of Magistrates not eligible for a step shall be increased to reflect the new salary schedule. A provision in the Salaries and Benefits part of the Appropriations Act provides additional details on this increase. | | |
| 44 State Retirement System Contributions | \$1,138,738 | R |
| Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million. | | |
| 45 Consolidated Judicial Retirement System | (\$560,000) | R |
| Reduces the State's contribution to the Consolidated Judicial Retirement System for FY 2014-15 to match the Annual Required Contribution after providing a 1.0% cost-of-living adjustment to retirees and reflecting ratification of H.B. 1195. | | |

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

B. Department-wide

- 46 Administrative Reduction for the Administrative Office of the Courts (AOC)**
 Allows AOC to identify savings throughout the Department to achieve a \$2.9 million reduction. AOC shall not eliminate any State-funded position in a district operating at less than 100 percent of the recommended staffing level identified by the current workload formula developed for that position in consultation with the National Center for State Courts.

(\$2,925,344) R
- 47 Salary Reserve**
 Directs AOC to budget salaries at actual levels.

(\$41,600) R

C. Administration and Service (1100)

- 48 Technology Services**
 Reduces the appropriation for AOC's Technology Services Division by 3.2%, leaving \$15,096,017.

(\$500,000) R

D. Pass-throughs (1800)

- 49 Access to Civil Justice Grant**
 Eliminates the Access to Civil Justice funds, which pass through AOC's budget to the NC State Bar.

(\$671,250) R

Total Legislative Changes	\$7,466,820	R
Total Position Changes		
Revised Budget	\$463,893,072	

ABC Commission

Budget Code: 5455X

	FY 2014-15
Beginning Unreserved Fund Balance	\$0
Recommended Budget	
Requirements	\$0
Receipts	\$0
Positions	0.00

Legislative Changes

Requirements:

ABC Commission	\$4,873,156		R
Transfers the budget for the ABC Commission from the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety in accordance with the Type II transfer of the ABC Commission to the Department of Public Safety.	\$0		NR
	46.00		
 ABC Warehouse	 \$8,131,662		 R
Transfers the ABC Commission's Warehouse budget from the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety in accordance with the Type II transfer of the ABC Commission to the Department of Public Safety.	\$0		NR
	0.00		
 Underage Drinking Initiative	 \$2,568		 R
Transfers the ABC Commission's Underage Drinking Initiative budget from the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety in accordance with the Type II transfer of the ABC Commission to the Department of Public Safety.			NR
	0.00		
 Subtotal Legislative Changes	 \$13,007,386		 R
	\$0		NR
	46.00		

FY 2014-15

Receipts:

ABC Commission

\$4,873,156 R

Transfers the cash balance in the ABC Commission budget from the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety.

\$1,069,328 NR

ABC Warehouse

\$8,131,662 R

Transfers the cash balance from the ABC Commission's Warehouse fund in the Department of Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety.

\$2,564,818 NR

Underage Drinking Initiative

\$2,568 R

Transfers the budget and the cash balance for the Underage Drinking Initiative from Commerce's Enterprise budget (54600) to a new enterprise fund in the Department of Public Safety.

\$1,229,788 NR

Subtotal Legislative Changes

\$13,007,386 R

\$4,863,934 NR

Revised Total Requirements

\$13,007,386

Revised Total Receipts

\$17,871,320

Change in Fund Balance

\$4,863,934

Total Positions

46.00

Unappropriated Balance Remaining

\$4,863,934

**GENERAL
GOVERNMENT
Section J**

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(1.0) Cultural Resources

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$63,008,100

Legislative Changes

Reserve for Salaries & Benefits

- | | | |
|--|------------------|----------|
| <p>1 Compensation Increase Reserve</p> <p>Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.</p> | <p>\$778,215</p> | <p>R</p> |
| <p>2 State Retirement System Contributions</p> <p>Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.</p> | <p>\$117,353</p> | <p>R</p> |

Historic Publications (1220)

- | | | |
|---|--------------------|----------|
| <p>3 Historic Publications Positions</p> <p>Reduces staff and operations funds for the Historic Publications Unit. There remains approximately \$173,484 in the account to be used to continue producing the publications that are required in G.S. 121-4.</p> | <p>(\$186,885)</p> | <p>R</p> |
| <p>60083324 Editor I \$39,761</p> <p>60083313 Administrator \$61,676</p> <p>60083322 Administrative Secretary II \$38,947</p> | <p>-3.00</p> | |

Historic Sites (1241)

- | | | |
|---|-------------------|----------|
| <p>4 Position Elimination</p> <p>Eliminates an educator position located in Kinston vacated by a retirement.</p> | <p>(\$63,870)</p> | <p>R</p> |
| <p>60084315 Education Coordinator \$47,887</p> | <p>-1.00</p> | |

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

Marketing

5 Strategic Marketing

\$43,000 R

Continues funding for a strategic marketing initiative that began in FY 2013-14.

NC Museum of History (1500)

6 Museum of History

(\$114,961) R

Reduces funds appropriated to the Museum of History by 2%. State appropriations for the museum will be \$5.6 million for FY 2014-15.

Statewide Library Programs and Grants (1480)

7 Library Grants

(\$284,000) R

Reduces funds appropriated for grants to local libraries by 2%. There remains \$13,207,033 in State appropriations and \$4,381,126 available in federal grants for FY 2014-15.

Tryon Palace

8 Operations

\$400,000 R

Increases recurring funding for Tryon Palace. The total State appropriations for Tryon Palace will be \$3,042,252 for FY 2014-15.

Total Legislative Changes

\$688,852 R

Total Position Changes

-4.00

Revised Budget

\$63,696,952

Conference Report on the Continuation, Capital, and Expansion Budget

(2.0) Cultural Resources - Roanoke Island
Commission

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session \$450,000

Legislative Changes

Roanoke Island Commission

9 Operations (\$9,000) R

Reduces funds appropriated to the Roanoke Island Commission for operation of the Roanoke Island Festival Park by 2%. The State appropriations for FY 2014-15 will be \$441,000.

Total Legislative Changes (\$9,000) R

Total Position Changes

Revised Budget \$441,000

Conference Report on the Continuation, Capital, and Expansion Budget

(3.0) Insurance

GENERAL FUND

Total Budget Enacted 2013 Session	FY 14-15
	\$38,003,624

Legislative Changes

Reserve for Salaries & Benefits

10 Compensation Increase Reserve	\$455,884	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.		
11 State Retirement System Contributions	\$106,769	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.		

Administration (1100)

12 Operations	(\$20,000)	R
Reduces funds available for miscellaneous contracts throughout Administration by .36% and leaves \$5,570,747 remaining for FY 2014-15.		

Agency Wide

13 Position Eliminations	(\$433,955)	R
Eliminates 4 vacant and 3.8 filled positions. The remaining amount is \$34,206,053 in personal services for FY 2014-15.		

- 60013402 Office Assistant IV \$26,013
- 60013409 Administrative Assistant I \$29,856
- 60013487 Program Assistant V \$27,875
- 60013668 Insurance Company Examiner \$54,648
- 60013694 Insurance Co. Examiner \$69,401
- 60013467 Office Assistant IV \$34,518
- 60013489 Office Assistant III \$29,745
- 60013531 Insurance Regulations Analyst III (.8 FTE) \$47,116

-7.80

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

14 Over-realized Receipts

(\$200,000) R

Reduces appropriations based upon anticipated additional receipts from collection agencies for license fees.

Office of State Fire Marshal (1500)

15 Communications, Printing, and Various Line Items

(\$200,000) R

Reduces funds appropriated for the purpose of communications, data, and programming and brings the budget closer to actual expenditures of prior years. The FY 2014-15 State appropriations for 5328XX accounts will be approximately \$800,000.

Total Legislative Changes

(\$291,302) R

Total Position Changes

-7.80

Revised Budget

\$37,712,322

(5.0) State Board of Elections

GENERAL FUND

		FY 14-15	
Total Budget Enacted 2013 Session		\$5,693,244	
<hr/>			
Legislative Changes			
Reserve for Salaries & Benefits			
16 Compensation Increase Reserve		\$63,056	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.			
17 State Retirement System Contributions		\$13,517	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.			
Information Systems Division (1300)			
18 Contract Elimination		(\$117,415)	R
Eliminates funds for contracting of data services; the functions previously performed by a vendor are now completed by State Board of Elections staff.			
Investigations			
19 Investigator Positions (1200)		\$201,657	R
Provides funding for three new positions to investigate fraud in elections, discrepancies in voter registration information, including duplicate registrations, and to pursue prosecution for violations of election law.			
		3.00	
Total Legislative Changes		\$160,815	R
Total Position Changes		3.00	
Revised Budget		\$5,854,059	

Conference Report on the Continuation, Capital, and Expansion Budget

(6.0) General Assembly

GENERAL FUND

		FY 14-15	
Total Budget Enacted 2013 Session		\$51,634,767	
Legislative Changes			
Reserve for Salaries & Benefits			
20 Compensation Increase Reserve		\$654,365	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent and temporary full-time employees.			
21 State Retirement System Contributions		\$173,829	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.			
House and Senate (1110 & 1120)			
22 General Government Oversight Committee		\$34,733	R
Provides funds for the Joint Legislative Oversight Committee on General Government. The Committee will be comprised of 12 members who will meet during the interim to monitor implementation of laws, budget, and reports from the seventeen agencies within the purview of the appropriations subcommittees on General Government.			
Information Systems Division (1217)			
23 Operations		(\$400,000)	NR
Reduces funds appropriated for operations for FY 2014-15. This reduction will be offset by one-time carry-forward funds that would have otherwise transferred into a reserve account.			
Total Legislative Changes		\$862,927	R
		(\$400,000)	NR
Total Position Changes			
Revised Budget		\$52,097,694	

Conference Report on the Continuation, Capital, and Expansion Budget

(7.0) Governor

GENERAL FUND

		FY 14-15	
Total Budget Enacted 2013 Session		\$7,172,132	
<hr/>			
Legislative Changes			
Reserve for Salaries & Benefits			
24 Compensation Increase Reserve		\$63,922	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.			
25 State Retirement System Contributions		\$15,887	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.			
Administration			
26 Operations Reduction and Position Elimination		(\$115,430)	R
Eliminates recurring funding for one Washington, DC-based federal government liaison and other operating costs. Funds have been transferred annually to North Carolina Department of Transportation to partially fund this position. Additionally, non-recurring funds are provided for FY 2014-15 to continue funding this position for one more year.			
60014914 Federal Legislative Programs Coordinator \$80,866			
Total Legislative Changes		(\$35,621)	R
		\$80,866	NR
Total Position Changes			
Revised Budget		\$7,217,377	

(8.0) State Budget & Management

GENERAL FUND

		FY 14-15	
Total Budget Enacted 2013 Session		\$7,534,217	
<hr/>			
Legislative Changes			
Reserve for Salaries & Benefits			
27 Compensation Increase Reserve		\$75,025	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.			
28 State Retirement System Contributions		\$23,033	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.			
Administration			
29 Position Elimination		(\$50,684)	R
Eliminates one vacant position.			
		-1.00	
60056045 Grants Assistant \$37,000			
Technology and Data Services (1310)			
30 Contract		(\$100,000)	R
Reduces funds for a maintenance agreement/server software contract by 15%, leaving \$587,487 for FY 2014-15.			
Total Legislative Changes		(\$52,626)	R
Total Position Changes		-1.00	
Revised Budget		\$7,481,591	

Conference Report on the Continuation, Capital, and Expansion Budget

(9.0) State Budget and Management - Special

GENERAL FUND

		FY 14-15	
Total Budget Enacted 2013 Session		\$1,520,000	
<hr/>			
Legislative Changes			
Special Appropriations			
31 Resources Education Assistance Counseling and Housing of Macon County			
Provides funding to Resources Education Assistance Counseling and Housing of Macon County, Inc. (REACH) to match other funds for the construction of a shelter for battered women and families. The complex will serve individuals in and around Macon and Jackson counties.	\$75,000		NR
 32 Amphitheater Rehabilitation			
Provides funds to The Andrew Jackson Historical Foundation, Inc. to rebuild a dilapidated amphitheater. This grant requires a match of other funds locally.	\$100,000		NR
 Special Appropriations (13085)			
33 North Carolina Humanities Council			
Eliminates the grant-in-aid to the Humanities Council.	(\$20,000)		R
<hr/>			
Total Legislative Changes		(\$20,000)	R
		\$175,000	NR
Total Position Changes			
Revised Budget		\$1,675,000	

Conference Report on the Continuation, Capital, and Expansion Budget

(10.0) Auditor

GENERAL FUND

	FY 14-15	
Total Budget Enacted 2013 Session	\$11,217,468	
<hr/>		
Legislative Changes		
Reserve for Salaries & Benefits		
34 Compensation Increase Reserve	\$150,841	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.		
35 State Retirement System Contributions	\$40,958	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.		
Agency Wide		
36 Operations Reductions	(\$37,000)	R
Reduces funds appropriated for travel, lodging and telephone services in the 537XX accounts. There remains \$286,303 in these accounts for FY 2014-15.		
Total Legislative Changes	\$154,799	R
Total Position Changes		
Revised Budget	\$11,372,267	

Conference Report on the Continuation, Capital, and Expansion Budget

(11.0) Revenue

GENERAL FUND

	FY 14-15
Total Budget Enacted 2013 Session	\$80,896,458

Legislative Changes

Reserve for Salaries & Benefits

37 Compensation Increase Reserve	\$1,151,362	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.		
38 State Retirement System Contributions	\$223,228	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.		

Administrative Services (1681)

39 Asheville Office Space Lease	\$103,061	R
Increases the budget for the Asheville office space lease to pay for the physical security upgrades required by new IRS regulations.		

Agency Wide

40 Vacant Position Elimination	(\$634,375)	R
Eliminates vacant positions. The positions eliminated are:		
	-9.00	
60081349 Business And Technology ApplicSpec I(\$62,865)		
60081578 Processing Assistant III (\$26,215)		
60081418 Tax Administrator I (\$86,681)		
60081363 Business And Technology Applic Analyst (\$43,917)		
60082209 Business Systems Analyst (\$51,487)		
60081943 Tax Auditor Mgr (\$47,195)		
60081872 Revenue Field Auditor Supv (\$70,668)		
60081970 Field Auditor Team Leader (\$60,311)		
60082632 Processing Assistant IV (\$28,832)		

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

41 Operating Expenses Transferred to Receipt Support

(\$2,360,425) R

Shifts ongoing expenses and one position to the Collection Assistance Fee. The position is Revenue Officer I and a salary of \$40,125.

-1.00

- Fund 1605 - Information Technology
- Fund 1660 - Collection
- Fund 1663 - Examination
- Fund 1681 - Administrative Services

Property Tax (1629)

42 MotoTax Project

Authorizes the Department of Revenue to pay for expenditures related to the MotoTax Project, a collaboration between the Department of Transportation and the Department of Revenue. The cost will be \$795,236 recurring and will come from property tax collections on motor vehicles collected by the Division of Motor Vehicles.

43 Local Government Division Positions

Adds five positions to the Local Government Division. The cost of the positions will be \$400,575 recurring and \$36,575 nonrecurring. Funding for the positions will come from local sales and use tax receipts. These positions will aid counties in auditing refund requests from nonprofits and governmental units.

Total Legislative Changes	(\$1,517,149)	R
Total Position Changes	-10.00	
Revised Budget	\$79,379,309	

FY 2014-15

Project Collect Tax

Budget Code: 24704

	FY 2014-15
Beginning Unreserved Fund Balance	\$56,140,869
Recommended Budget	
Requirements	\$22,632,612
Receipts	\$22,632,612
Positions	0.00

Legislative Changes

Requirements:

Scanner Replacement

Provides nonrecurring funds to the Department of Revenue to purchase new document scanners. The current scanners are out of date and will be vulnerable to computer viruses once Microsoft ceases patching Windows XP. The Department of Revenue will receive four new scanners responsible for scanning correspondence, checks, and returns. In 2013, the current scanners processed more than 11 million documents.

	\$0	R
	\$1,600,000	NR
	0.00	

Locator Services

Increases the cap on taxpayer locator services from \$150,000 to \$350,000. Funds for the increase will come from the Collection Assistance Fee. Funds pay for extending the program that works with financial institutions in the State to locate asset information for taxpayers with overdue tax debts.

	\$200,000	R
	\$0	NR
	0.00	

Taxpayer Assistance Call Center

Appropriates funds to the Department of Revenue to open a second call center in Guilford County.

	\$3,938,078	R
	\$0	NR
	50.00	

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FY 2014-15

Criminal Investigation Division Special Agents	\$228,425	R
Authorizes the Department of Revenue to use funds collected through the Collection Assistance Fee to hire two new special agents to pursue individuals and businesses with overdue tax debts. The cost for the new agents will be \$228,425 recurring and \$10,430 nonrecurring.	\$10,430	NR
	2.00	
Collection E-Service	\$0	R
Transfers funds to Budget Code 24708 Fund 2478 to support the collection e-service initiative as part of the Integrated Tax Administration System (ITAS) replacement project.	\$7,549,000	NR
	0.00	
Taxpayer Assistance Call Center	\$0	R
Authorizes the Department of Revenue to spend \$1,477,585 in nonrecurring funds to upgrade technology for the Interactive Voice Response (IVR) system and provide the flexibility for the installation of additional phone lines.	\$1,477,585	NR
	0.00	
ABC Permit/Tax Compliance Program	\$0	R
Authorizes the Department of Revenue to spend \$30,000 from the Collection Assistance Fee to implement software applications that will ensure applicants for Alcoholic Beverage Control retail permits are in compliance with North Carolina Tax Statutes.	\$30,000	NR
	0.00	
Operating Expenses Transferred to Receipt Support	\$2,360,425	R
Shifts ongoing expenses and one position to the Collection Assistance Fee. The position is Revenue Officer I with a salary of \$40,125.	\$0	NR
	1.00	
Fund 1605 - Information Technology		
Fund 1660 - Collection		
Fund 1663 - Examination		
Fund 1681 - Administrative Services		
Subtotal Legislative Changes	\$6,726,928	R
	\$10,667,015	NR
	53.00	

Receipts:

Conference Report on the Continuation, Capital, and Expansion Budget

	FY 2014-15
Operating Expenses Transferred to Receipt Support	\$0 R
	\$0 NR
Collection Agency Service	\$0 R
	\$0 NR
ABC Permit/Tax Compliance Program	\$0 R
	\$0 NR
Subtotal Legislative Changes	\$0 R
	\$0 NR
<hr/>	
Revised Total Requirements	\$40,026,555
Revised Total Receipts	\$22,632,612
Change in Fund Balance	(\$17,393,943)
Total Positions	53.00
<hr/>	
Unappropriated Balance Remaining	\$38,746,926

ITAS Replacement, code 2478

Budget Code: 24708

	FY 2014-15
Beginning Unreserved Fund Balance	\$29,853,135
Recommended Budget	
Requirements	\$51,024,601
Receipts	\$27,874,319
Positions	7.00

Legislative Changes

Requirements:

Collections Case Management

Authorizes the Department of Revenue to use funds available to begin implementation of a new case management system for the Collections Division as part of the replacement of the Integrated Tax Administration System (ITAS).

	\$0		R
	\$5,000,000		NR
	0.00		

Collection E-Service

Provides funds from the Collection Assistance fee to implement an e-garnishment project that will automate management of the garnishment process, verification of NC-3s and W-2s, web portal for installment payments, and a decision analytics framework.

	\$0		R
	\$7,549,000		NR
	0.00		

Tax Information Management System Funding

Authorizes the Department of Revenue to use available funds to support the remediation of the backlog and ongoing support and maintenance of Release 3 of the Tax Information Management System (TIMS) for several tax schedules including alcoholic beverage, tobacco products, estate, and gift tax. Funding for the time limited positions is included in the appropriated funds. The funds come from a special fund containing money from General Fund appropriations, Collection Assistance Fee, and the TIMS benefit stream.

	\$0		R
	\$11,080,942		NR
	0.00		

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Corporate Electronic Filing Contract

Provides funds for an existing contract for the development of a corporate electronic tax filing system. This contract was previously authorized and this appropriation continues the funding for this effort.

\$0 R
 \$5,000,000 NR
 0.00

ITAS Replacement - Budget Adjustment

Revises the ITAS budget to reflect the changed authorization to the public private partnership found in the IT section of the appropriations bill. The requirements for the ITAS replacement for FY 2014-15 include the following initiatives: Collections Case Management, Collection E-Services, and Tax Information Management System Funding.

\$0 R
 (\$51,024,601) NR
 0.00

Subtotal Legislative Changes

\$0 R
 (\$22,394,659) NR
 0.00

Receipts:

ITAS Replacement - Budget Adjustment

Revises the ITAS budget to reflect the changed authorization to the public private partnership found in the IT section of the appropriations bill. The requirements for the ITAS replacement for FY 2014-15 include the following initiatives: Collections Case Management, Collection E-Services, and Tax Information Management System Funding.

\$0 R
 (\$27,874,319) NR

Collection E-Service

\$0 R
 \$7,549,000 NR

Subtotal Legislative Changes

\$0 R
 (\$20,325,319) NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$28,629,942
Revised Total Receipts	\$7,549,000
Change in Fund Balance	(\$21,080,942)
Total Positions	7.00

Unappropriated Balance Remaining	\$8,772,193
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(12.0) Secretary of State

GENERAL FUND

		FY 14-15	
Total Budget Enacted 2013 Session		\$11,575,183	
<hr/>			
Legislative Changes			
Reserve for Salaries & Benefits			
44 Compensation Increase Reserve		\$215,224	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.			
45 State Retirement System Contributions		\$36,470	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.			
Agency Wide			
46 Management Flexibility Reduction		(\$150,511)	R
Reduces the budget for the Secretary of State.			
Corporations (1210)			
47 Position Eliminations		(\$75,660)	R
Eliminates two vacant positions from the Corporations Division. The positions are:			
		-2.00	
60008687	Processing Assistant IV (\$26,013)		
60094557	Processing Assistant IV (\$26,946)		
Total Legislative Changes		\$25,523	R
Total Position Changes		-2.00	
Revised Budget		\$11,600,706	

(13.0) Lieutenant Governor

GENERAL FUND

		FY 14-15	
Total Budget Enacted 2013 Session		\$675,089	
<hr/>			
Legislative Changes			
Reserve for Salaries & Benefits			
48 Compensation Increase Reserve		\$7,418	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.			
49 State Retirement System Contributions		\$2,302	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.			
Administration (1100)			
50 Operating Expense Reductions		(\$13,502)	R
Reduces the budget for the following line items.			
Reduces in State ground transportation by 50%, leaving \$1,500.			
Reduces in State lodging by 71%, leaving \$1,229.			
Reduces in State meals by 84%, leaving \$1,133.			
Reduces telephone services by 16%, leaving \$5,096.			
Reduces food supplies by 83%, leaving \$400.			
Total Legislative Changes		(\$3,782)	R
Total Position Changes			
Revised Budget		\$671,307	

(14.0) State Controller

GENERAL FUND

	FY 14-15	
Total Budget Enacted 2013 Session	\$28,710,691	

Legislative Changes

Reserve for Salaries & Benefits

51 Compensation Increase Reserve	\$227,139	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.		
52 State Retirement System Contributions	\$60,978	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.		

Agency Wide

53 Personnel Reductions	(\$531,783)	R
Eliminates 2.75 filled and two vacant positions. The positions eliminated are:		
	-4.75	
60087099	Financial/Business Systems Manager (\$111,320)	
60087082	(.75 Full Time Equivalent) Administrative Assistant (\$41,328)	
60087102	Deputy State Controller (\$115,298)	
60087105	Business and Technology Application Specialist (\$95,165)	
60087116	Support Services Supervisor (\$40,632)	

Office of State Controller (1000)

54 Maintenance for the Cash Management System	\$180,821	R
Provides funds for ongoing maintenance of the Cash Management System.		
55 Operating Budget Reductions	(\$520,086)	R
Reduces budgeted line items for communication and data processing accounts to bring them in line with prior year actual expenditures, leaving \$1,702,770 for these purposes.		

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

56 Oracle DSS Contract Increase	Provides funds to pay for the increase in Oracle software licensing fees.	\$21,000	R
57 Lease Increase	Appropriates money for a contractual inflationary lease increase for the Bush Street building.	\$15,764	R
58 BEACON Hardware	Provides funds to extend the warranty on hardware for BEACON through July 2015.	\$130,000	NR
59 Operating Budget Adjustment	Appropriates General Fund money to decrease the amount of the transfer between the State Controller's special and general fund budget codes.	\$114,015	R
60 IBM Cognos DSS Contract Increase	Provides funds for a software license fee increase. Cognos Decision Support System is a data warehouse of financial transactions.	\$100,000	R
<hr/>			
Total Legislative Changes		(\$332,152)	R
		\$130,000	NR
Total Position Changes		-4.75	
Revised Budget		\$28,508,539	
<hr/>			

Office of State Controller – Special

Budget Code: 24160

	FY 2014-15
Beginning Unreserved Fund Balance	\$28,075,373
Recommended Budget	
Requirements	\$15,366,290
Receipts	\$8,523,770
Positions	20.00

Legislative Changes

Requirements:

Federal Insurance Contribution Act (FICA) Savings	\$0	R
Transfers \$5,255,000 in FY 2014-15 to general availability.	\$5,255,000	NR
	0.00	
Operating Budget Adjustment	(\$114,015)	R
Decreases the transfer between the State Controller's special and general fund codes.	\$0	NR
	0.00	
Subtotal Legislative Changes	(\$114,015)	R
	\$5,255,000	NR
	0.00	

Receipts:

Federal Insurance Contribution Act (FICA) Savings	\$0	R
	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$20,507,275
Revised Total Receipts	\$8,523,770
Change in Fund Balance	(\$11,983,505)
Total Positions	20.00

Unappropriated Balance Remaining	\$16,091,868
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(15.0) Administration

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$67,047,033

Legislative Changes

Reserve for Salaries & Benefits

61 Compensation Increase Reserve \$579,765 R
 Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

62 State Retirement System Contributions \$117,715 R
 Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

Agency Wide

63 Operations Reductions and Efficiency (\$184,451) R
 Reduces operating budgets throughout divisions within the Department to more closely reflect actual expenditures and to achieve efficiencies. The Divisions impacted are as follows:

- 1121 - Fiscal Management: \$22,900
- 1122 - Human Resources: \$11,818
- 1123 - Historically Underutilized Business: \$12,727
- 1241 - Management Information Systems: \$16,341
- 1411 - State Construction: \$43,704
- 1412 - State Property: \$17,749
- 1511 - Purchase and Contract: \$59,212

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

64 Vacant Positions

(\$386,612) R

Eliminates eight full time equivalent positions and benefits throughout the Department of Administration. The positions are as follows:

-8.00

- 60013844 Administrative Secretary III
- 60013862 Attorney
- 60013864 Office Assistant III
- 60013897 Contract Specialist I
- 60013923 Administrative Assistant II
- 60014598 Processing Assistant V
- 60014805 BES Technician
- 60014820 Building & Environmental Technician

Facilities Management (1421)

65 Janitorial Services Contract

(\$300,000) R

Reduces the janitorial services contract (532184) by 11% to more closely reflect actual expenditures leaving \$2,206,823.

66 Utilities Expenditures

(\$1,224,000) R

Reduces the appropriation for utilities within the Department (5322XX) by 8% to more closely reflect actual expenditures leaving \$13,247,559.

Office of State Human Resources (1311)

67 Operations Reduction - Agency Wide

(\$145,175) R

Reduces funds appropriated for operations. There remains approximately \$7 million for Office of State Human Resources' operations.

68 Position Elimination

(\$71,193) R

Eliminates a position within Office of State Human Resources identified in the voluntary Reduction In Force project.

-1.00

State Ethics Commission (1810)

69 Operating Expense Reductions

(\$12,865) R

Reduces line items for information technology expenditures, printing expenses, and office supplies. The total operating reduction is 11% and leaves \$105,281 in operating funds.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

Veterans' Affairs (1771)

70 Aid to County Veterans' Services Offices

(\$138,000) R

Eliminates the grant-in-aid program to county governments for the provision of veterans' services. The program gave county veterans' services offices administration a supplement for the provision of veterans' services.

Veterans Home Program (1772)

71 Veterans' Homes Building Reserves

Appropriates funds from the State Veteran's Trust Fund to fully operate the two recently opened State Veterans' Homes in Black Mountain and Kinston. The additional amount appropriated from the Trust Fund is \$18,268,588 which brings the total operating budget for the Homes to \$42,056,930 for FY 2014-15.

Total Legislative Changes

(\$1,764,816) R

Total Position Changes

-9.00

Revised Budget

\$65,282,217

Reserve for E-Commerce Initiative (2514)

Budget Code: 24100

	FY 2014-15
Beginning Unreserved Fund Balance	\$17,716,898
Recommended Budget	
Requirements	\$29,225,969
Receipts	\$19,278,784
Positions	2.90

Legislative Changes

Requirements:

E-Commerce Fund Transfer	\$0	R
Transfers \$2,130,000 from the E-Commerce Fund to support general availability.	\$2,130,000	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$2,130,000	NR
	0.00	

Receipts:

E-Commerce Fund Transfer	\$0	R
	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$31,355,969
Revised Total Receipts	\$19,278,784
Change in Fund Balance	(\$12,077,185)
Total Positions	2.90

Unappropriated Balance Remaining	\$5,639,713
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NC Veterans Trust Fund

Budget Code: 64106

	FY 2014-15
Beginning Unreserved Fund Balance	\$23,038,009
Recommended Budget	
Requirements	\$23,788,342
Receipts	\$23,785,816
Positions	0.00

Legislative Changes

Requirements:

State Veterans' Homes	\$18,268,588	R
Appropriates funds to fully operate the two recently opened state Veterans' Homes in Black Mountain and Kinston.	\$0	NR
	0.00	
Subtotal Legislative Changes	\$18,268,588	R
	\$0	NR
	0.00	

Receipts:

State Veterans' Homes	\$18,268,588	R
Increases receipts to reflect the recently opened State Veterans' Homes in Black Mountain and Kinston	\$0	NR
Subtotal Legislative Changes	\$18,268,588	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$42,056,930
Revised Total Receipts	\$42,054,404
Change in Fund Balance	(\$2,526)
Total Positions	0.00

Unappropriated Balance Remaining	\$23,035,483
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Department of Administration Special Fund

Budget Code: 74100-7211

	FY 2014-15
Beginning Unreserved Fund Balance	\$45,453,806
Recommended Budget	
Requirements	\$40,799,693
Receipts	\$46,491,012
Positions	48.00

Legislative Changes

Requirements:

Motor Fleet Management	\$10,979,483	R
Appropriates receipts from the Motor Fleet Management Fund to bring the State Fleet replacement schedule closer to the industry standard. The funds will be used to purchase 800 to 1,000 additional vehicles per year.	\$0	NR
	0.00	
Subtotal Legislative Changes	\$10,979,483	R
	\$0	NR
	0.00	

Receipts:

Motor Fleet Management	\$10,979,483	R
Budgets receipts to actual.	\$0	NR
Subtotal Legislative Changes	\$10,979,483	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$51,779,176
Revised Total Receipts	\$57,470,495
Change in Fund Balance	\$5,691,319
Total Positions	48.00

Unappropriated Balance Remaining	\$51,145,125
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Temporary Solutions

Budget Code: 74100-7511

	FY 2014-15
Beginning Unreserved Fund Balance	(\$3,954,660)
Recommended Budget	
Requirements	\$22,234,149
Receipts	\$22,434,444
Positions	7.50

Legislative Changes

Requirements:

Temporary Solutions - Budget Adjustment	\$21,918,668	R
Increases the requirements for the operations of Temporary Solutions. Executive Order #4 required State agencies to utilize Temporary Solutions for their temporary employment needs; therefore, the budget has increased due to the increased usage of this service.	\$0	NR
	0.00	
Subtotal Legislative Changes	\$21,918,668	R
	\$0	NR
	0.00	

Receipts:

Temporary Solutions	\$25,673,033	R
Increases the receipts for Temporary Solutions resulting from increased revenues due to Executive Order #4.	\$0	NR
Subtotal Legislative Changes	\$25,673,033	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$44,152,817
Revised Total Receipts	\$48,107,477
Change in Fund Balance	\$3,954,660
Total Positions	7.50

Unappropriated Balance Remaining	\$0
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State Parking System

Budget Code: 74103

	FY 2014-15
Beginning Unreserved Fund Balance	\$1,691,613
Recommended Budget	
Requirements	\$1,835,325
Receipts	\$1,835,722
Positions	14.75

Legislative Changes

Requirements:

State Parking Fund	\$800,000	R
Increases receipts to actual required amounts for the purposes of improving facility maintenance and repairs as well as security upgrades.	\$0	NR
	0.00	
Subtotal Legislative Changes	\$800,000	R
	\$0	NR
	0.00	

Receipts:

State Parking Correction	\$800,000	R
Budgets receipts to actual.	\$0	NR
Subtotal Legislative Changes	\$800,000	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$2,635,325
Revised Total Receipts	\$2,635,722
Change in Fund Balance	\$397
Total Positions	14.75

Unappropriated Balance Remaining	\$1,692,010
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Conference Report on the Continuation, Capital, and Expansion Budget

(16.0) Housing Finance Agency

GENERAL FUND

	FY 14-15	
Total Budget Enacted 2013 Session	\$8,411,632	
<hr/>		
Legislative Changes		
HOME Match (1100)		
72 HOME Match	(\$29,678)	R
Reduces the State match for the federal HOME Program by 2%. The General Fund appropriation for FY 2014-15 is \$1,458,649.		
 Housing Trust Fund (1100)		
73 Workforce Housing Loan Program	\$10,000,000	NR
Appropriates funds to the Housing Trust Fund in order to create a Low Income Housing Loan program to assist in the development of low-income housing units throughout the State.		
74 Housing Trust Fund	(\$140,000)	R
Reduces the General Fund appropriation to the Housing Trust Fund by 2%. For FY 2014-15, the General Fund appropriation to the Housing Trust Fund is \$6,860,000.		
<hr/>		
Total Legislative Changes	(\$169,678)	R
	\$10,000,000	NR
Total Position Changes		
Revised Budget	\$18,241,954	

(17.0) Office of Administrative Hearings

GENERAL FUND

		FY 14-15
Total Budget Enacted 2013 Session		\$5,027,130
Legislative Changes		
Reserve for Salaries & Benefits		
75 Compensation Increase Reserve		\$55,638 R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.		
76 State Retirement System Contributions		\$14,291 R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.		
Administration (1100)		
77 Operating Reduction		(\$32,111) R
Reduces various operating line items within the Office to more closely reflect actual expenditures. The following line items are reduced: Maintenance Agreements/Service Contracts (532499), Intangible Assets(5347XX), Postage/Freight/Delivery (532840). The operating reduction reflects a 1% decrease to the Office, leaving \$2,999,244.		
Total Legislative Changes		\$37,818 R
Total Position Changes		
Revised Budget		\$5,064,948

(18.0) Treasurer

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$7,026,305

Legislative Changes

Reserve for Salaries & Benefits

78 Compensation Increase Reserve \$46,241 R
 Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

79 State Retirement System Contributions \$12,120 R
 Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195. Total General Fund appropriation across all sections in the committee report is \$45.5 million.

Financial Operations (1510)

80 Operating Reduction (\$70,662) R
 Reduces budgeted Computer and Data Processing (532821) expenditures to more closely reflect actual expenditures.

Investments (1210)

81 Compensation Reserve \$1,020,000 R
 Establishes a Compensation Reserve to be used for providing market based compensation to employees of the Investment Division. In addition to the \$1.02 million in General Funds appropriated for this purpose, up to \$697,000 is to be apportioned directly from Investments under management to be used for positions not subject to G.S.147-69.3(f).

82 Investments Internalization \$1,600,292 R
\$51,940 NR
10.00
 Provides funds to the Investments Division to internalize a variety of investments currently managed by external fund managers. The appropriation will provide funding to hire five Portfolio Managers and five Investment Analysts to manage investments for global equity, private equity, credit strategies, real estate, and inflation protection. There is also additional funding for software licenses and employee related expenses.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

Supplemental Retirement

83 Start Up Funds

Appropriates \$150,000 from the Qualified Excess Benefit Arrangement to fund the start-up costs to administer the State-wide 403(b) plan created under S.L. 2011-310.

Total Legislative Changes	\$2,607,991	R
	\$51,940	NR
Total Position Changes	10.00	
Revised Budget	\$9,686,236	

Blount Street Properties

Budget Code: 23480

	FY 2014-15
Beginning Unreserved Fund Balance	\$5,456,787
Recommended Budget	
Requirements	\$60,000
Receipts	\$60,000
Positions	0.00

Legislative Changes

Requirements:

Blount Street Properties	\$0	R
Transfers the entire balance of the Blount Street Properties fund to support general availability.	\$5,456,787	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$5,456,787	NR
	0.00	

Receipts:

Blount Street Properties	\$0	R
	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$5,516,787
Revised Total Receipts	\$60,000
Change in Fund Balance	(\$5,456,787)
Total Positions	0.00

Unappropriated Balance Remaining	\$0
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**(19.0) Fire Rescue Nat Guard Pensions & LDD
Benefits**

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session	\$23,179,042
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Legislative Changes

Firefighters' Pension Fund (1412)

84 General Fund Contribution	(\$696,253)	R
<p>Reduces the General Fund contribution to match the Annual Required Contribution to the Firefighters' and Rescue Squad Workers' Pension Fund. The reduction reflects changes that allow distributions at age 55 regardless of pay status. The payment of these pension benefits is made pursuant to Article 86 of G.S. 58, as amended in a special provision. The amount of the recurring General Fund contribution is \$13,319,481.</p>		

National Guard (1414)

85 General Fund Contribution	(\$968,169)	R
<p>Reduces the General Fund contribution to the National Guard Pension Fund to match the Annual Required Contribution. The reduction reflects benefits increases of \$4 per month. The payment of these pension benefits is made pursuant to G.S. 127A-40. The amount of the recurring General Fund contribution to the fund is \$6,039,274.</p>		

Rescue Squad (1413)

86 General Fund Contribution	(\$30,346)	R
<p>Reduces the General Fund contribution to match the Annual Required Contribution to the Rescue Squad Workers' Pension Fund. The reduction reflects changes that allow distributions at age 55 regardless of pay status. The payment of these pension benefits is made pursuant to Article 86 of G.S. 58, as amended in a special provision. The amount of the recurring General Fund contribution is \$580,519.</p>		

Total Legislative Changes	(\$1,694,768)	R
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Total Position Changes

Revised Budget	\$21,484,274
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TRANSPORTATION

Section K

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Highway Fund

HIGHWAY FUND

FY 14-15

Total Budget Enacted 2013 Session

\$1,916,310,500

Legislative Changes

Adjustments to Availability

1 Revenue Adjustment

Reflects the repeal of the Motor Fuels Tax refund for taxicabs in G.S. 105-449.106(b), effective on January 1, 2015, increasing revenue availability by \$69,420 in FY 2014-15.

2 Intermodal Division Balances

Reallocates \$12,000,000 of the unallotted and unexpended balance of funds within the intermodal divisions.

3 Shallow Draft Navigation Channel and Lake Dredging Fund

Reduces Highway Fund revenue availability to reflect a one-time transfer of \$1,677,134 to the Shallow Draft Navigation Channel and Lake Dredging Fund.

Administration

4 Division Cuts

(\$1,705,907) R

Reduces the Communications, Strategic Planning Office, Office of Inspector General, Financial Management, Information Technology, and Facilities Management programs by 2% of the certified 2014-15 budgets for these programs, as recommended in the Governor's Budget. The cuts include \$1,705,907 to the Highway Fund and \$10,130 in receipts.

Divisional adjustments are enumerated below:

Communications Division (Fund Code 84210-0002): \$29,957
Strategic Planning Office (Fund Code 84210-1096): \$3,958
Office of Inspector General (Fund Code 84210-7011): \$39,353
Financial Management Division (Fund Code 84210-7020): \$149,903
Information Technology Division (Fund Code 84210-7025): \$1,091,183
Facilities Management Division (Fund Code 84210-7030): \$401,683

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

5 Division of Highways Administration Cuts

Reduces the Intergovernmental Affairs, Program Development, Technical Services, Transportation Planning, and Transportation Mobility and Safety programs by 2% of the certified 2014-15 budgets for these programs, as recommended in the Governor's Budget. The cuts include \$198,056 to receipts.

Divisional adjustments are enumerated below:

- Intergovernmental Affairs (Fund Code 84210-1078/1129): \$13,878
- Program Development Division (Fund Code 84210-1256): \$15,266
- Technical Services Division (Fund Code 84210-7153): \$110,738
- Transportation Planning Program (Fund Code 84210-7070): \$4,000
- Transportation Mobility and Safety Division (Fund Code 84210-0149): \$54,174

6 Financial Management

(\$4,200,000) R

Reduces funding for the Financial Management Division (Fund Code 84210-7020) by \$4,200,000 to realign the budget to reflect actual spending. Budgeted funds total \$5,688,248 in FY 2014-15.

7 Governance Office

(\$82,516) R

Eliminates a position and associated costs within the Quality Enhancement Unit.

-1.00

Position	Title	Total Position Cost
60015423	Management Engineer I	\$82,516

8 Occupational Safety & Health Program (OSHA)

(\$7,307) R

Reduces funding for the OSHA Program (Fund Code 84210-7832), as recommended in the Governor's budget. The program provides funding to address safety deficiencies that impact the workplace environment. Eligible projects include mitigation of deficiencies discovered in routine inspections by OSHA, building code, or health code inspectors and employee safety training. This \$7,307 reduction represents a 2.0% adjustment to the certified 2014-15 budget for this program. Budgeted funds total \$358,030 in FY 2014-15.

9 Position Eliminations

(\$2,006,362) R

Eliminates 27 administrative positions and 270 vacant receipt-supported positions assigned to equipment, HTF field, and HF field units which have been vacant for 180 days or longer. Estimated recurring savings total \$2,006,362.

-27.00

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Aid to Municipalities

10 State Aid to Municipalities

\$9,453,990 R

Appropriates additional funding for the Aid to Municipalities program based on revised projections for motor fuels tax consumption in accordance with G.S. 136-41.1. Budgeted funds total \$146,328,000 in FY 2014-15.

Construction

11 Economic Development Program Fund

\$4,036,171 R

Converts funding for the Economic Development Program (Fund Code 84210-7838) to recurring. (\$4,036,171) NR

Division of Motor Vehicles

12 Credit/Debit Transaction Payments

(\$3,707,308) R

Realigns funding for payments to card vendors for credit/debit transactions based on actual transaction rates and the deployment of point-of-sale capability to driver license offices. Funding for Vehicle Services (Fund Code 84210-7055) is reduced by \$3,707,308 recurring, a 28.0% adjustment to the certified 2014-15 budget for this line item. Funding for Driver Services (Fund Code 84210-0049) is reduced by \$648,879 nonrecurring, a 46.9% adjustment to the certified 2014-15 budget for this line item. (\$648,879) NR

13 Title Conversion Fees

(\$53,853) R

Budgets anticipated net receipts from the authorized \$3.00 fee for the conversion of paper titles under the Electronic Lien and Titling system required pursuant to G.S. 20-58.4A.

14 License and Identification Card Costs

\$1,585,443 R

Increases funding for the production of new format driver license and identification cards issued by the Division of Motor Vehicles, as recommended in the Governor's budget. This \$1,585,443 increase to Driver Services (Fund Code 84210-0049) represents a 36.2% adjustment to the certified 2014-15 budget for this line item.

15 Medical Review Unit

\$350,000 R

Increases funding for contractual physician case reviews and Medical Review Board hearings, as recommended in the Governor's budget. This \$350,000 increase represents a 0.7% adjustment to the certified 2014-15 budget for Driver Services (Fund Code 84210-0049).

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16 Ignition Interlock Program

Increases funding to establish a stand-alone Ignition Interlock Unit, as recommended in the Governor's budget. This \$663,945 increase represents an 8.4% adjustment to the certified 2014-15 budget for the Commissioner's Office.

\$617,495 R
\$46,450 NR
10.00

17 Driver License Examiner Facilitators

Provides funding for fourteen Driver License Examiners to reduce customer wait times at high volume offices, as recommended in the Governor's budget. This \$822,397 increase represents a 1.8% adjustment to the certified 2014-15 budget for Driver Services (Fund Code 84210-0049).

\$793,515 R
\$28,882 NR
14.00

Governor's Highway Safety Program

18 Governor's Highway Safety Program

Reduces the Governor's Highway Safety Program (Fund Code 84210-0042) administrative budget for car mileage reimbursement by \$11,398, including \$5,699 in receipts, as recommended in the Governor's Budget. Budgeted funds for the program total \$279,233 in FY 2014-15.

(\$5,699) R

Information Technology

19 SOA Governance and Competency Center

Provides funds to establish enterprise-level Service Oriented Architecture (SOA) Governance to support the design, development and deployment of products and services as part of the Division of Motor Vehicles Modernization effort and other ongoing initiatives, as recommended in the Governor's budget. The Department will also establish an SOA competency center to retrain existing technical resources and develop the new technologies to be delivered via modernization. This \$3,000,000 funding increase represents a 5.6% adjustment to the certified 2014-15 budget for the Information Technology Division.

\$640,000 R
\$2,360,000 NR

20 Modernization of Driver Services

Increases funding to advance Phase 3 of the State Automated Driver License System replacement project, supplementing \$5.3 million of available funding from current appropriations for the modernization initiative in FY 2014-15. This \$3,024,503 funding increase represents a 5.6% adjustment to the certified 2014-15 budget for the Information Technology Division.

\$3,024,503 NR

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21 Hearing Fee Implementation

Provides \$256,000 nonrecurring for web application development to facilitate the future implementation of hearing fees. This \$256,000 funding increase represents a 0.5% adjustment to the certified 2014-15 budget for the Information Technology Division.

\$256,000 NR

22 DMV Service Initiatives

Provides additional Information Technology (IT) staffing for the State Automated Driver License System (SADLS) and State Titling and Registration System (STARS) project teams, as recommended in the Governor's budget. Four (4.00) additional positions are authorized for the SADLS project team and three (3.00) additional positions are authorized for the STARS project team. This \$830,707 funding increase represents a 1.5% adjustment to the certified 2014-15 budget for the Information Technology Division.

\$830,707 R

7.00

23 Channel Strategy Development

Provides funding to design, develop and deploy tools, applications, solutions and systems for internal and external users, as recommended in the Governor's budget. This \$1,800,000 funding increase represents a 3.3% adjustment to the certified 2014-15 budget for the Information Technology Division.

\$1,800,000 R

24 Card Payment Operation and Maintenance

Provides funding for maintenance, licensing costs, and required Payment Card Industry (PCI) Data Security Standards associated with the acceptance of credit cards, as recommended in the Governor's budget. This \$1,032,919 funding increase represents a 1.9% adjustment to the certified 2014-15 budget for the Information Technology Division.

\$1,032,919 R

Intermodal

25 Aviation, Rail, Ferry, and Bicycle and Pedestrian Operating Reductions

Reduces operating and grant funding for the Divisions of Aviation, Rail, Ferry, and Bicycle and Pedestrian Transportation. Recurring reductions total \$3,332,685, a 4.0% adjustment to the certified 2014-15 budgets for these programs.

(\$3,332,685) R

Divisional adjustments are enumerated below:

- Aviation Division (Fund Code 84210-7830): \$800,000
- Rail Division (Fund Code 84210-7829): \$960,325
- Ferry Division (Fund Code 84210-7825): \$1,542,317
- Bicycle & Pedestrian Division (Fund Code 84210-0035): \$30,043

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Maintenance

26 Primary System	(\$6,678,148)	R
Reduces funding for Primary System Maintenance Program, as recommended in the Governor's budget. Budgeted funds total \$140,845,060 in FY 2014-15.		
27 Contract Resurfacing	\$5,750,000	R
Increases funding for Contract Resurfacing (Fund Code 84210-7824). Budgeted funds total \$408,173,088 in FY 2014-15.		
28 Secondary System	(\$10,709,290)	R
Reduces funding for the Secondary System Maintenance Program, as recommended in the Governor's budget. Budgeted funds total \$262,872,935 in FY 2014-15.		
29 Pavement Preservation	\$65,045,024	R
Establishes funding for the Pavement Preservation Program.		
Reserves		
30 Compensation Increase Reserve	\$9,291,113	R
Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.		
31 State Retirement System Contributions	\$1,513,400	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution, provide a 1.0% cost-of-living adjustment to retirees, and reflect the ratification of H.B. 1195.		
32 State Health Plan	(\$1,050,000)	R
Reduces the reserve for health benefit coverage for enrolled active and retired employees supported by the Highway Fund to reflect zero premium increase at January 1, 2015.		

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- 33 Disability Income Plan** (\$98,700) R
Reduces contributions to the Disability Income Plan for FY 2014-15 to match the Annual Required Contribution.

- 34 Reserve for Future Benefit Needs** (\$1,745,000) R
Eliminates the Highway Fund reserve for future benefit needs.

Transfers

- 35 Global TransPark** (\$250,000) R
Reduces the operating transfer to the Global TransPark Authority by \$250,000, a 25% adjustment to the certified 2014-15 budget.

- 36 Department of Public Instruction - Driver Education** (\$26,682,132) R
Converts funding to nonrecurring and adjusts the transfer from the Highway Fund to the Department of Public Instruction based on the forecasted ninth-grade Average Daily Membership (ADM) for the 2014-15 school year. \$26,376,131 NR

Total Legislative Changes	\$40,424,870	R
	\$27,406,916	NR
Total Position Changes	3.00	
Revised Budget	\$1,984,142,286	

Conference Report on the Continuation, Capital, and Expansion Budget

Highway Trust Fund

HIGHWAY TRUST FUND

FY 14-15

Total Budget Enacted 2013 Session	\$1,105,400,000
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Legislative Changes

Adjustments to Availability

37 Revenue Adjustment

Reflects the repeal of the Motor Fuels Tax refund for taxicabs in G.S. 105-449.106(b), effective January 1, 2015. The repeal increases revenue availability by \$23,140 in FY 2014-15.

Administration

38 Administration

(\$11,000,000) R

Reduces funding for Highway Trust Fund administration by \$11,000,000 to realign the budget to reflect actual spending. Budgeted funds total \$34,590,880 in FY 2014-15.

Construction

39 Strategic Transportation Investments

\$67,993,140 R

Increases funding for Strategic Transportation Investments to \$1,018,094,812 in FY 2014-15.

Total Legislative Changes	\$56,993,140 R
---------------------------	----------------

Total Position Changes

Revised Budget	\$1,162,393,140
----------------	-----------------

Turnpike Authority

Budget Code: 64208

	FY 2014-15
Beginning Unreserved Fund Balance	\$0
Recommended Budget	
Requirements	\$88,725,718
Receipts	\$88,725,718
Positions	20.00

Legislative Changes

Requirements:

Administration	(\$42,601) R
Reduces funding for the Turnpike Authority administration budget by \$42,601, as recommended in the Governor's budget. Budgeted funds to the Turnpike Authority total \$1,442,878 in FY 2014-15.	\$0 NR 0.00
Subtotal Legislative Changes	(\$42,601) R \$0 NR 0.00

Receipts:

Administration	(\$42,601) R
Reduces associated receipts for Turnpike Authority administration.	\$0 NR
Subtotal Legislative Changes	(\$42,601) R \$0 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$88,683,117
Revised Total Receipts	\$88,683,117
Change in Fund Balance	\$0
Total Positions	20.00

Unappropriated Balance Remaining	\$0
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**RESERVES/
DEBT SERVICE/
ADJUSTMENTS
Section L**

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Statewide Reserves

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$1,054,616,158

Legislative Changes

A. Employee Benefits

- | | | |
|---|----------------|---|
| 1 Reserve for Future Benefit Needs | (\$56,400,000) | R |
| Eliminates the General Fund Reserve for Future Benefit Needs. | | |
| 2 State Health Plan | (\$22,000,000) | R |
| Reduces the reserve for health benefit coverage for enrolled active and retired employees supported by the General Fund to reflect a zero premium increase as of January 1, 2015. | | |
| 3 Disability Income Plan | (\$3,200,000) | R |
| Reduces contributions to the Disability Income Plan for FY 2014-15 to match the Annual Required Contribution. | | |

B. Other Reserves

- | | | |
|--|----------------|----|
| 4 NCGA Litigation Reserve | \$300,000 | NR |
| Provides \$300,000 NR to the General Assembly's litigation reserve in defense of the North Carolina Constitution. | | |
| 5 Information Technology Reserve | \$270,067 | R |
| Continues funding of \$20,240,067 to upgrade, simplify, and modernize the State's IT operations and internal infrastructure. This includes replacing obsolete computers and applications, and ensuring State agencies are meeting IT security requirements. | | |
| 6 Information Technology Fund | \$679,488 | R |
| Maintains funding of \$17,655,145 to support the Office of the State Chief Information Officer and statewide information technology projects. Additional funding of \$5 million, to include \$1.5 million in carryforward, is provided to the Government Data Analytics Center (GDAC) to improve fraud detection. An additional \$1,129,488 is provided for the Criminal Justice Law Enforcement Automated Data System (CJLEADS) to support law enforcement and the Administrative Office of the Courts. | | |
| 7 Job Development Investment Grant (JDIG) Reserve | (\$15,571,684) | NR |
| Decreases funding for the JDIG Reserve to align funding with needs for FY 2014-15. Combined with available cash balance, total funds appropriated for FY 2014-15 will be \$54,024,000. | | |

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FY 14-15

8 One North Carolina Fund

Decreases funding for the One NC Fund to align funding with needs for FY 2014-15. Combined with available cash balance, total funds appropriated for FY 2014-15 will be \$11,402,677.

(\$7,144,263) NR

9 Pending Legislation and Legislative Services Commission Litigation

Provides funds for pending legislation and expenditures authorized by the Legislative Services Commission.

\$1,500,000 NR

C. Debt Service

10 Debt Service Savings

Decreases debt service to reflect the authorization of Two-Thirds bonds to replace existing authorized but unissued special indebtedness.

(\$200,000) R

11 Debt Service Increase

Increases debt service to reflect the authorization of Two-Thirds bonds to fund projects authorized in this act.

\$5,794,474 R

12 Debt Service Adjustment

Adjusts debt service appropriations based on updated cash flow requirements.

(\$9,340,916) R

Total Legislative Changes

(\$84,396,887) R

(\$26,023,432) NR

Total Position Changes

Revised Budget

\$944,195,839

State Health Plan (Administration)

Budget Code: 23450

FY 2014-15

Beginning Unreserved Fund Balance

Recommended Budget

Requirements	\$212,151,548
Receipts	\$212,151,548
Positions	46.00

Legislative Changes

Requirements:

Medical Benefits Administration Contracts (2A25)	\$10,150,000		R
Adjusts the budgeted amounts for Third Party Administrative Services contracts to reflect revised estimates.	\$0		NR
	0.00		
Agency Administration (2A10)	\$2,650,000		R
Adjusts the budgeted amounts for the Plan's other administrative costs to reflect revised estimates.	\$0		NR
	0.00		
Subtotal Legislative Changes	\$12,800,000		R
	\$0		NR
	0.00		

Receipts:

Adjust Transfers from Trust Funds	\$12,800,000		R
Adjusts the amount of transfer from the Plan's health benefit trust fund budget codes to support administrative costs authorized for FY 2014-15.	\$0		NR
Subtotal Legislative Changes	\$12,800,000		R
	\$0		NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$224,951,548
Revised Total Receipts	\$224,951,548
Change in Fund Balance	\$0
Total Positions	46.00

Unappropriated Balance Remaining

CAPITAL
Section M

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Capital

GENERAL FUND

FY 14-15

Total Budget Enacted 2013 Session

\$8,423,000

Legislative Changes

A. Department of Cultural Resources

1 Museum of History Expansion

Appropriates funds to the Museum of History for advance planning of an expansion, renovation, and exhibit development for the Museum of History in Raleigh. The estimated total cost of the project is \$45.2 million.

\$1,500,000 NR

B. Department of Environment and Natural Resources

2 Water Resource Development Projects

Provides funds for the State's share of Water Resource Development Projects. State funds will match \$9.65 million in federal funds and \$1.47 million in local funds. The projects are specified in a special provision.

\$5,810,000 NR

C. Department of Public Safety

3 Samarkand Training Facility

Eliminates funding for the renovation of the Samarkand Training Facility. Two-Thirds Bonds are authorized to continue the renovation of the facility within this Act.

(\$5,173,000) NR

D. University of North Carolina

4 Appalachian State University - Health Sciences Building Planning

Appropriates \$3 million in General Funds and an additional \$2.20 million in non-State funds to Appalachian State University to fully plan the Health Sciences Building. The total cost of construction is estimated to be \$73.4 million and the total square footage is 203,000 gross square feet.

\$3,000,000 NR

E. Two-Thirds Bonds

5 Department of Administration - Albemarle Building Renovation

Authorizes the issuance of Two-Thirds Bonds to fully renovate the Albemarle Building in Raleigh, NC. The total amount of debt authorized is \$42.32 million.

6 Department of Cultural Resources - U.S.S. North Carolina Battleship

Authorizes the issuance of Two-Thirds Bonds to build a cofferdam to protect the U.S.S. North Carolina Battleship. The total amount of debt authorized is \$3 million.

7 Repairs and Renovations Reserve

Authorizes the issuance of Two-Thirds Bonds to be allocated to the Repairs and Renovations Reserve. The total amount of debt authorized is \$30 million.

Conference Report on the Continuation, Capital, and Expansion Budget

FY 14-15

8 Department of Public Safety - Samarkand Training Facility

Authorizes the issuance of Two-Thirds Bonds to complete the Samarkand Training Facility project. The total amount of debt authorized is \$5.17 million.

9 Department of Environment and Natural Resources - Hammocks Beach State Park

Authorizes the issuance of Two-Thirds Bonds to the Parks and Recreation Trust Fund within the Department of Environment and Natural Resources to expand Hammocks Beach State Park. The total amount of debt authorized is \$3 million.

10 Department of Agriculture and Consumer Services- McGough Arena Roof Repair

Authorizes the issuance of Two Thirds Bonds to repair the McGough Arena Roof located at the Western North Carolina Agricultural Center. The total amount of debt authorized is \$2 million.

11 Department of Justice - Western Crime Lab

Authorizes the issuance of Two-Thirds Bonds for the purpose of constructing the Western Crime Lab in Edneyville, NC, as planned in S.L. 2012-142 and S.L. 2013-360. The total amount of debt authorized is \$15.4 million.

12 Bond Reauthorization

Reauthorizes \$206 million of authorized but unissued special indebtedness with Two-Thirds Bonds.

Total Appropriation to Capital

\$13,560,000 NR

**INFORMATION
TECHNOLOGY
SERVICES
Section N**

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Information Technology Fund

Budget Code: 24667

	FY 2014-15
Beginning Unreserved Fund Balance	\$3,909,023
Recommended Budget	
Requirements	\$10,470,657
Receipts	\$10,472,857
Positions	31.00

Legislative Changes

Requirements:

Criminal Justice Information Network (2705)	\$0	R
Maintains funding of \$189,563 for the Criminal Justice Information Network (CJIN). The CJIN is a statewide criminal justice infrastructure that allows the sharing of information between State and local criminal justice agencies.	\$0	NR
	0.00	
Center for Geographic Info and Analysis (2715)	\$0	R
Maintains funding of \$495,338 for the Center for Geographic Information and Analysis (CGIA), the lead agency for geographic information systems (GIS) services and GIS coordination for North Carolina, providing GIS services to State and local governments.	\$0	NR
	0.00	
Enterprise Security Risk Management Office (2720)	\$0	R
Maintains funding of \$864,148 for Enterprise Security Risk Management. The Enterprise Security and Risk Management Office (ESRMO) is responsible for the development, delivery and maintenance of an information security and risk management program that safeguards the State's information assets and the supporting infrastructure against unauthorized use, disclosure, modification, damage, or loss.	\$0	NR
	0.00	
Enterprise Project Management Office (2740)	\$0	R
Maintains funding of \$1,473,285 for the Enterprise Project Management Office (EPMO). The EPMO was established to improve the management of IT projects in State government.	\$0	NR
	0.00	

FY 2014-15

Architecture and Engineering (2750)	\$0	R
Maintains funding of \$851,986 for the Office of Enterprise Architecture. The Office acts as a strategic planner and architect for the State's IT programs and is responsible for formulating and advancing a vision for those programs.	\$0	NR
	0.00	
State Portal (2760)	\$0	R
Maintains funding of \$224,741 to support the current State web site within the Office of the State Chief Information Officer.	\$0	NR
	0.00	
Enterprise Licenses (2780)	\$0	R
Maintains funding of \$33,000 to support enterprise license agreements. Enterprise license agreements support multiple agencies' IT projects and applications.	\$0	NR
	0.00	
Consolidation (2790)	\$0	R
Maintains funding of \$1,021,081 for consolidation, allowing the State Chief Information Officer to work to centralize IT operations and functions in the State.	\$0	NR
	0.00	
Electronic Forms and Digital Signatures (2790)	(\$450,000)	R
Reduces funding for the State's enterprise electronic forms and digital signatures capability by 50% from \$900,000 to \$450,000, while continuing support for agencies currently using the service.	\$0	NR
	0.00	
GDAC (2800, 2404, 2457, 2459)	\$1,129,488	R
Increases funding from the Information Technology Fund by \$5,000,000, or 53%, to \$9,417,515 to continue the efforts of the Government Data Analytics Center (GDAC) and the North Carolina Financial Accountability and Compliance Technology System (NCFATS) to develop an enterprise business intelligence capability. Included in the \$5 million is \$1.5 million in GDAC carryforward. It also includes an increase in recurring funding for the Criminal Justice Law Enforcement Automated Data System (CJLEADS) of \$1,129,488 to support ongoing operations and allow the development of additional capabilities. In addition to funding from the IT Fund, GDAC receives an appropriation in the Office of the State Controller's budget. Total funding for GDAC operations from all funding sources in fiscal year 2014-2015 is anticipated to be \$17,069,414.	\$5,000,000	NR
	0.00	

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FY 2014-15

Longitudinal Data System Board Staffing

\$0 R

Provides funding of \$5,000 for administrative support for the Longitudinal Data Board.

\$5,000 NR

0.00

Enterprise Resource Planning/NC GEAR

\$0 R

Provides \$1.5 million in funding to the State Chief Information Officer to develop a strategic implementation plan for a Statewide Enterprise Resource Planning System (ERP), in coordination with the North Carolina Government Efficiency and Reform Initiative (NC GEAR), and the State Controller. The plan is to be submitted to the Joint Legislative Oversight Committee on Information Technology by December 1, 2014.

\$1,500,000 NR

0.00

Subtotal Legislative Changes

\$679,488 R

\$6,505,000 NR

0.00

Receipts:

Interest

\$2,200 R

Accounts for interest generated by the Information Technology Fund during FY 2013-14.

\$0 NR

GDAC Funding (2404, 2457, 2459, 2800)

\$1,129,488 R

Provides \$5 million in nonrecurring funding from the IT Fund for the Government Data Analytics Center (GDAC) and the North Carolina Financial Accountability and Compliance Technology System (NCFACS), an increase of 53%. This includes GDAC carryforward of \$1.5 million. An additional \$1,129,488 in recurring funding is provided for the Criminal Justice Law Enforcement Automated Data System (CJLEADS). All of this funding will be used to continue the State's efforts to develop an enterprise business intelligence capability.

\$5,000,000 NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Electronic Forms and Digital Signatures (2790)

(\$450,000) R

Reduces funding for the Electronic Forms and Digital Signatures project by 50%, from \$900,000 to \$450,000, limiting support to current users.

\$0 NR

Funding for Longitudinal Data Board

\$0 R

Provides funding to support administrative requirements of the Longitudinal Data Board.

\$5,000 NR

Funding for Enterprise Resource Planning/NC GEAR

\$0 R

Provides \$1.5 million for the State Chief Information Officer, in conjunction with the NC Government Efficiency and Reform Initiative (NC GEAR), and the State Controller to develop a strategic implementation plan for a Statewide Enterprise Resource Planning System.

\$1,500,000 NR

Subtotal Legislative Changes

\$681,688 R

\$6,505,000 NR

Revised Total Requirements

\$17,655,145

Revised Total Receipts

\$17,659,545

Change in Fund Balance

\$4,400

Total Positions

31.00

Ending Unreserved Fund Balance

\$3,913,423

Information Technology Reserve Fund

Budget Code: 00000

	FY 2014-15
Beginning Unreserved Fund Balance	\$0
Recommended Budget	
Requirements	\$31,582,485
Receipts	\$31,582,485
Positions	33.00

Legislative Changes

Requirements:

Plan (Enterprise Architecture) (2725)

Maintains State Chief Information Officer funding for Enterprise Architecture at \$2,239,512 for personnel with the skills necessary to ensure that the State has an enterprise architecture that can be used as the basis for planning Statewide IT support and integrating agency requirements. As part of this effort, a consistent, detailed business case development process will be created that is based on best practices and ensures that the State acquires the best support at the lowest cost.

\$0 R
\$0 NR
0.00

Build (Project Management) (2725)

Reduces funding for project management by 39% to \$1,772,353 to allow the State CIO to maintain staff with the skills required to create and deploy a development model for Cabinet agencies that will assist them in defining software requirements and require standard methodologies for project management and system development.

(\$1,109,901) R
\$0 NR
0.00

Remediation (Equipment Relocation) (2725)

Continues the relocation of information technology equipment from substandard facilities to State data centers. For FY 2014-15, funding of \$600,000 is provided for equipment costs associated with the effort.

\$0 R
\$0 NR
0.00

FY 2014-15

Security (2775)	\$0	R
Continues the State CIO's effort to assess IT security requirements, then implement improvements, with nonrecurring funding of \$250,000 for FY 2014-15.	\$0	NR
Recurring funding of \$142,788 is provided to support an additional security specialist in the Office of the State Chief Information Officer.	0.00	
Desktop Remediation (2725)	\$450,000	R
Reduces desktop remediation funding by \$7,050,000, requiring the State Chief Information Officer to prioritize requirements for agency desktop support.	(\$7,500,000)	NR
	0.00	
Network Simplification (2725)	\$929,968	R
Provides funding of \$4,262,453 to allow for the upgrade, simplification, and modernization of the State's critical IT infrastructure.	(\$1,500,000)	NR
	0.00	
MS Office (2725)	\$0	R
Maintains funding of \$2.3 million to update approximately 50,000 agency software licenses to meet current standards.	\$0	NR
	0.00	
Operate (Standards and Measures)	\$0	R
Eliminates nonrecurring funding of \$500,000 for a consultant to support standardization of IT services.	(\$500,000)	NR
	0.00	
Customer Data (2725)	\$0	R
Eliminates nonrecurring funding of \$1 million for a consultant to support the development of standard State policy regarding access to and use of data held by the State.	(\$1,000,000)	NR
	0.00	
Secure Sign-On (2775)	\$0	R
Maintains recurring funding of \$70,000 for secure sign-on, but reduces nonrecurring funding by 34%, from \$3,280,000 to \$2,167,515 to support the upgrade of the State's identity management system. This will allow the implementation of increasing security requirements for access to certain types of data.	(\$1,112,485)	NR
	0.00	

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FY 2014-15

Innovation Center (2725)	\$0	R
Continues operation of the State Information Technology Innovation Center to encourage collaboration among State agencies, institutions of higher learning, citizens, and the private sector to create information technology solutions with potential benefit to the State and anyone using government services.	\$0	NR
	0.00	
Subtotal Legislative Changes	\$270,067	R
	(\$11,612,485)	NR
	0.00	

Receipts:

IT Reserve Receipts (2725 and 2775)	\$270,067	R
Sets IT Reserve receipts at \$20,240,067, a reduction of 36%.	(\$11,612,485)	NR
Subtotal Legislative Changes	\$270,067	R
	(\$11,612,485)	NR

Revised Total Requirements	\$20,240,067
Revised Total Receipts	\$20,240,067
Change in Fund Balance	\$0
Total Positions	33.00
Ending Unreserved Fund Balance	\$0

Information Technology Internal Service Fund

Budget Code: 74660

	FY 2014-15
Beginning Unreserved Fund Balance	\$18,557,047
Recommended Budget	
Requirements	\$190,000,002
Receipts	\$190,000,000
Positions	507.00

Legislative Changes

Requirements:

Information Technology Internal Service Fund	\$0	R
Sets funding for the Office of Information Technology Services at \$195,000,000 (Fund Codes 7105,7115, 7280, 7217, 7250, 7EPA, 7228, 7100, 7240, 7260, 7224, and 7USG).	\$5,000,000	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$5,000,000	NR
	0.00	

Receipts:

IT Internal Service Fund Receipts	\$0	R
Limits receipts for FY 2014-15 to \$195,000,000 (Fund Codes 7115, 7280, 7217, 7250, 7EPA, 7228, 7100, 7240, 7260, 7224, and 7USG).	\$5,000,000	NR
Subtotal Legislative Changes	\$0	R
	\$5,000,000	NR

Conference Report on the Continuation, Capital, and Expansion Budget

FY 2014-15

Revised Total Requirements	\$195,000,002
Revised Total Receipts	\$195,000,000
Change in Fund Balance	(\$2)
Total Positions	507.00

Ending Unreserved Fund Balance	\$18,557,045
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