

**N.C. HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE**

**REPORT
ON THE
CONTINUATION, EXPANSION,
AND CAPITAL BUDGETS**

**Proposed Committee Substitute for Senate Bill 402, Third
Edition**

North Carolina General Assembly

June 11, 2013

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General Fund Availability Statement

	FY 2013-14	FY 2014-15
1 Unappropriated Balance Remaining from Previous Year	213,432,877	144,161,855
2 Anticipated Over Collections FY 2012-13	405,700,000	0
3 Overcollections Due to MSA Disputed Payments	51,510,749	
4 Anticipated Reversions FY 2012-13	200,000,000	0
5 Net Supplemental Medicaid Appropriation (S.L. 2013-56)	(308,100,000)	
6 Less Earmarkings of Year End Fund Balance		
7 Savings Reserve Account	(200,000,000)	0
8 Repairs and Renovations	(200,000,000)	0
9 Beginning Unreserved Fund Balance	162,543,626	144,161,855
10		
11 Revenues Based on Existing Tax Structure	19,628,100,000	20,549,000,000
12		
13 Non-tax Revenues		
14 Investment Income	13,700,000	14,100,000
15 Judicial Fees	250,200,000	251,400,000
16 Disproportionate Share	110,000,000	109,000,000
17 Insurance	72,500,000	73,400,000
18 Other Non-Tax Revenues	173,000,000	175,000,000
19 Highway Trust Fund Transfer	0	0
20 Highway Fund Transfer	218,100,000	215,900,000
21 Subtotal Non-tax Revenues	837,500,000	838,800,000
22		
23 Total General Fund Availability	20,628,143,626	21,531,961,855
24		
25 Adjustments to Availability: 2013 Session		
26		
27 Reserve for Tax Credit for DOL Apprentice Hires (HB 341)	(2,700,000)	(6,000,000)
28 Reserve for Tax Simplification and Reduction Act (HB 998):		
29 Net Tax Code Changes	(38,500,000)	(381,100,000)
30 Repeal Corporate Income Tax Earmark (Public School Construction)	85,800,000	84,700,000
31 Reserve for Repeal Estate Tax (HB 101)	(52,000,000)	(57,000,000)
32 Reserve for Workers' Comp Fund/ Safety Workers Allocation (HB 27)	(3,000,000)	(3,000,000)
33 Reserve for Repeal of Education Expenses Credit (HB 269)	0	1,500,000
34 Sales Tax Refund Application for Passenger Air Carriers	(3,186,000)	0
35 Tobacco Master Settlement Agreement (MSA) Funds	115,639,357	91,000,000
36 NC Political Parties Financing Fund	1,064,582	0
37 Transfer from E-Commerce Reserve Fund Balance	1,111,585	0
38 Increase Lobbyist Fees	400,000	400,000
39 Adjust Transfer from Insurance Regulatory Fund	(560,589)	(560,589)
40 Adjust Transfer from Treasurer's Office	175,215	175,215
41 Extend Local Government Hold Harmless	(15,700,000)	0
42		
43 Subtotal Adjustments to Availability: 2013 Session	88,544,150	(269,885,374)
44		
45 Revised General Fund Availability	20,716,687,776	21,262,076,481
46		
47 Less: General Fund Appropriations	(20,572,525,921)	(21,166,589,940)
48		
49 Unappropriated Balance Remaining	144,161,855	95,486,541

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SUMMARY:

**GENERAL FUND
APPROPRIATIONS**

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Summary of General Fund Appropriations						
Fiscal Year 2013-14						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2013-14	Adjustments	Adjustments	Changes	Changes	2013-14
Education:						
Community Colleges	1,037,430,475	(33,344,580)	8,551,572	(24,793,008)	2.50	1,012,637,467
Public Education	7,984,924,757	(72,120,988)	(7,193,468)	(79,314,456)	3.00	7,905,610,301
University System	2,709,551,807	(84,256,509)	(65,276,704)	(149,533,213)		2,560,018,594
Total Education	11,731,907,039	(189,722,077)	(63,918,600)	(253,640,677)	5.50	11,478,266,362
Health and Human Services:						
Central Management and Support	54,028,354	5,365,691	17,529,134	22,894,825	-6.00	76,923,179
Aging and Adult Services	54,443,196	(300,855)	0	(300,855)		54,142,341
Blind and Deaf / Hard of Hearing Services	8,178,618	0	0	0		8,178,618
Child Development and Early Education	259,254,083	(4,090,625)	0	(4,090,625)	-14.00	255,163,458
Health Service Regulation	16,761,992	(300,000)	0	(300,000)		16,461,992
Medical Assistance	3,069,576,810	410,186,672	1,170,982	411,357,654		3,480,934,464
Mental Health, Devel. Disabilities & Sub. Abuse Ser.	706,797,747	(13,491,991)	11,344,203	(2,147,788)		704,649,959
NC Health Choice	80,131,026	(11,984,625)	0	(11,984,625)		68,146,401
Public Health	156,784,502	(6,168,000)	(8,000,000)	(14,168,000)		142,616,502
Social Services	170,629,904	(860,543)	4,826,346	3,965,803		174,595,707
Vocational Rehabilitation	39,284,143	(510,974)	0	(510,974)		38,773,169
Total Health and Human Services	4,615,870,375	377,844,750	26,870,665	404,715,415	-20.00	5,020,585,790
Justice and Public Safety:						
Public Safety	1,722,061,784	(27,958,928)	10,305,625	(17,653,303)	-818.70	1,704,408,481
Judicial Department	458,416,996	(1,263,640)	500,000	(763,640)	16.00	457,653,356
Judicial - Indigent Defense	114,505,898	(2,489,834)	4,144,159	1,654,325	-3.25	116,160,223
Justice	77,773,575	976,809	(1,975,602)	(998,793)	21.00	76,774,782
Total Justice and Public Safety	2,372,758,253	(30,735,593)	12,974,182	(17,761,411)	-784.95	2,354,996,842

Summary of General Fund Appropriations						
Fiscal Year 2013-14						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2013-14	Adjustments	Adjustments	Changes	Changes	2013-14
Natural And Economic Resources:						
Agriculture and Consumer Services	108,918,334	3,679,338	1,750,800	5,430,138	9.00	114,348,472
Commerce	33,469,442	(1,562,595)	8,072,946	6,510,351	-0.17	39,979,793
Commerce - State Aid	59,714,814	(29,550,415)	13,028,359	(16,522,056)		43,192,758
Environment and Natural Resources	109,140,591	15,504,473	4,810,000	20,314,473	32.07	129,455,064
DENR - Clean Water Mgmt. Trust Fund	0	0	0	0		0
Labor	16,196,339	500,000	0	500,000		16,696,339
Wildlife Resources Commission	18,476,588	(2,000,000)	(2,000,000)	(4,000,000)		14,476,588
Total Natural and Economic Resources	345,916,108	(13,429,199)	25,662,105	12,232,906	40.90	358,149,014
General Government:						
Administration	68,316,992	112,546	(11,150,659)	(11,038,113)	0.25	57,278,879
Auditor	11,013,547	0	0	0		11,013,547
Cultural Resources	63,626,477	(1,049,875)	553,000	(496,875)	-3.00	63,129,602
Cultural Resources - Roanoke Island	1,058,757	(608,757)	0	(608,757)		450,000
General Assembly	52,845,390	(411,667)	(422,905)	(834,572)	-3.60	52,010,818
Governor	5,539,743	(369,693)	0	(369,693)		5,170,050
Housing Finance Agency	9,408,417	(120,000)	(876,785)	(996,785)		8,411,632
Insurance	38,454,593	(460,589)	0	(460,589)		37,994,004
Insurance - Worker's Compensation Fund	2,623,654	(2,623,654)	0	(2,623,654)		0
Lieutenant Governor	444,047	231,042	6,000	237,042	3.00	681,089
Office of Administrative Hearings	4,335,464	27,005	160,000	187,005	-1.00	4,522,469
Revenue	80,031,575	190,497	13,345	203,842	2.00	80,235,417
Secretary of State	11,845,185	(270,002)	0	(270,002)	-3.00	11,575,183
State Board of Elections	5,213,445	88,928	(1,994,100)	(1,905,172)	11.52	3,308,273
State Budget and Management	6,951,706	1,446,193	0	1,446,193	15.00	8,397,899
State Budget and Management -- Special	49,000	(49,000)	3,000,000	2,951,000		3,000,000
State Controller	29,279,290	(568,599)	0	(568,599)		28,710,691
Treasurer - Operations	6,851,090	175,215	1,111,585	1,286,800	-1.00	8,137,890
Treasurer - Retirement / Benefits	23,179,042	0	0	0		23,179,042
Total General Government	421,067,414	(4,260,410)	(9,600,519)	(13,860,929)	20.17	407,206,485

Summary of General Fund Appropriations						
Fiscal Year 2013-14						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2013-14	Adjustments	Adjustments	Changes	Changes	2013-14
Transportation	0	0	0	0	0.00	0
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	707,080,339	(34,949,705)	0	(34,949,705)		672,130,634
Federal Reimbursement	1,616,380	0	0	0		1,616,380
Subtotal Debt Service	708,696,719	(34,949,705)	0	(34,949,705)		673,747,014
Statewide Reserves:						
Severance Expenditure Reserve	0	0	7,500,000	7,500,000	0.00	7,500,000
Statewide Compensation Study	0	0	1,000,000	1,000,000	0.00	1,000,000
Salary Adjustment Fund		10,000,000	0	10,000,000	0.00	10,000,000
Teachers' & State Employees' Retirement Contribution	0	36,000,000	0	36,000,000	0.00	36,000,000
Judicial Retirement System Contribution	0	1,000,000	0	1,000,000	0.00	1,000,000
Firemen's and Rescue Squad Workers' Pension Fund	0	(820,000)	0	(820,000)	0.00	(820,000)
State Health Plan	0	33,000,000	0	33,000,000	0.00	33,000,000
Unemployment Insurance Reserve	0	0	23,800,000	23,800,000	0.00	23,800,000
Job Development Investment Grants (JDIG)	27,400,000	24,423,772	0	24,423,772	0.00	51,823,772
NC Government Efficiency and Reform Project	0	0	2,000,000	2,000,000	0.00	2,000,000
Information Technology Fund	6,053,142	0	0	0	0.00	6,053,142
Information Technology Reserve Fund	0	5,635,000	21,365,000	27,000,000	0.00	27,000,000
One North Carolina Fund	9,000,000	0	0	0	0.00	9,000,000
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Disaster Relief Reserve			10,000,000	10,000,000	0.00	10,000,000
Eugenics Sterization Compensation Fund		0	10,000,000	10,000,000	0.00	10,000,000
Reserve for NC Back to Work Program		0	10,000,000	10,000,000	0.00	10,000,000
Reserve for Pending Legislation		9,170,500	150,000	9,320,500	0.00	9,320,500
Subtotal Statewide Reserves	47,453,142	118,409,272	85,815,000	204,224,272	0.00	251,677,414
Total Reserves and Debt Service	756,149,861	83,459,567	85,815,000	169,274,567		925,424,428
Total General Fund for Operations	20,243,669,050	223,157,038	77,802,833	300,959,871	-738.38	20,544,628,921

Summary of General Fund Appropriations						
Fiscal Year 2013-14						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2013-14	Adjustments	Adjustments	Changes	Changes	2013-14
Capital Improvements						
Water Resources Development Projects	0	0	13,522,000	13,522,000		13,522,000
Sandhills Veterans Cemetery	0	0	125,000	125,000		125,000
National Guard Projects	0	0	5,000,000	5,000,000		5,000,000
Samarkand Training Facility	0	0	5,250,000	5,250,000		5,250,000
Appalachian State University - Health Sciences Building	0	0	2,000,000	2,000,000		2,000,000
UNC Asheville Land Purchases	0	0	2,000,000	2,000,000		2,000,000
Total Capital Improvements	0	0	27,897,000	27,897,000		27,897,000
Total General Fund Budget	20,243,669,050	223,157,038	105,699,833	328,856,871	-738.38	20,572,525,921

Summary of General Fund Appropriations						
Fiscal Year 2014-15						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2014-15	Adjustments	Adjustments	Changes	Changes	2014-15
Education:						
Community Colleges	1,037,430,475	(33,344,580)	5,003,272	(28,341,308)	2.50	1,009,089,167
Public Education	8,111,097,830	(74,316,908)	7,408,978	(66,907,930)	3.00	8,044,189,900
University System	2,737,874,470	(144,483,096)	(6,564,100)	(151,047,196)		2,586,827,274
Total Education	11,886,402,775	(252,144,584)	5,848,150	(246,296,434)	5.50	11,640,106,341
Health and Human Services:						
Central Management and Support	54,718,515	10,926,074	864,655	11,790,729	-6.00	66,509,244
Aging and Adult Services	54,443,196	(100,855)	0	(100,855)		54,342,341
Blind and Deaf / Hard of Hearing Services	8,178,618	0	0	0		8,178,618
Child Development and Early Education	259,254,083	(4,214,814)	0	(4,214,814)	-14.00	255,039,269
Health Service Regulation	16,761,992	(300,000)	0	(300,000)		16,461,992
Medical Assistance	3,083,576,810	602,843,230	0	602,843,230		3,686,420,040
Mental Health, Devel. Disabilities & Sub. Abuse Ser.	706,797,747	(13,491,991)	16,848,589	3,356,598		710,154,345
NC Health Choice	80,131,026	(22,300,289)	0	(22,300,289)		57,830,737
Public Health	156,784,502	(16,168,000)	0	(16,168,000)	-160.00	140,616,502
Social Services	170,629,904	(559,214)	4,826,346	4,267,132		174,897,036
Vocational Rehabilitation	39,284,143	(510,974)	0	(510,974)		38,773,169
Total Health and Human Services	4,630,560,536	556,123,167	22,539,590	578,662,757	-180.00	5,209,223,293
Justice and Public Safety:						
Public Safety	1,732,859,184	(30,838,091)	(15,892,740)	(46,730,831)	-718.70	1,686,128,353
Judicial Department	458,416,996	(1,263,640)	0	(1,263,640)	16.00	457,153,356
Judicial - Indigent Defense	114,505,898	(2,489,834)	0	(2,489,834)	-3.25	112,016,064
Justice	80,773,575	976,809	(2,087,026)	(1,110,217)	21.00	79,663,358
Total Justice and Public Safety	2,386,555,653	(33,614,756)	(17,979,766)	(51,594,522)	-684.95	2,334,961,131

Summary of General Fund Appropriations						
Fiscal Year 2014-15						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2014-15	Adjustments	Adjustments	Changes	Changes	2014-15
Natural And Economic Resources:						
Agriculture and Consumer Services	108,918,334	4,629,338	(1,000,000)	3,629,338	9.00	112,547,672
Commerce	33,469,442	(2,676)	7,850,000	7,847,324	-1.17	41,316,766
Commerce - State Aid	61,954,814	(30,330,047)	11,393,359	(18,936,688)		43,018,126
Environment and Natural Resources	109,220,682	28,062,222	(190,000)	27,872,222	17.07	137,092,904
DENR - Clean Water Mgmt. Trust Fund	0	0	0	0		0
Labor	16,196,339	500,000	0	500,000		16,696,339
Wildlife Resources Commission	18,476,588	(2,000,000)	0	(2,000,000)		16,476,588
Total Natural and Economic Resources	348,236,199	858,837	18,053,359	18,912,196	24.90	367,148,395
General Government:						
Administration	68,241,992	50,139	(7,476,543)	(7,426,404)	-1.75	60,815,588
Auditor	11,013,547	0	0	0		11,013,547
Cultural Resources	63,629,480	(1,049,875)	100,000	(949,875)	-3.00	62,679,605
Cultural Resources - Roanoke Island	1,058,757	(608,757)	0	(608,757)		450,000
General Assembly	52,845,390	(441,667)	(831,124)	(1,272,791)	-3.60	51,572,599
Governor	5,541,825	(369,693)	0	(369,693)		5,172,132
Housing Finance Agency	9,408,417	(120,000)	(2,583,496)	(2,703,496)		6,704,921
Insurance	38,464,213	(460,589)	0	(460,589)		38,003,624
Insurance - Worker's Compensation Fund	2,623,654	(2,623,654)	0	(2,623,654)		0
Lieutenant Governor	444,047	231,042	0	231,042	3.00	675,089
Office of Administrative Hearings	4,350,431	27,463	80,000	107,463	-1.00	4,457,894
Revenue	80,031,575	190,497	0	190,497	2.00	80,222,072
Secretary of State	11,845,185	(270,002)	0	(270,002)	-3.00	11,575,183
State Board of Elections	5,213,445	302,294	1,005,905	1,308,199	13.52	6,521,644
State Budget and Management	7,034,217	1,446,193	0	1,446,193	15.00	8,480,410
State Budget and Management -- Special	49,000	(49,000)	1,500,000	1,451,000		1,500,000
State Controller	29,279,290	(568,599)	0	(568,599)		28,710,691
Treasurer - Operations	6,851,090	175,215	0	175,215	-1.00	7,026,305
Treasurer - Retirement / Benefits	23,179,042	0	0	0		23,179,042
Total General Government	421,104,597	(4,138,993)	(8,205,258)	(12,344,251)	20.17	408,760,346

Summary of General Fund Appropriations						
Fiscal Year 2014-15						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2014-15	Adjustments	Adjustments	Changes	Changes	2014-15
Transportation	0	0	0	0	0.00	0
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	707,080,339	(18,648,784)	0	(18,648,784)		688,431,555
Federal Reimbursement	1,616,380	0	0	0		1,616,380
Subtotal Debt Service	708,696,719	(18,648,784)	0	(18,648,784)		690,047,935
Statewide Reserves:						
Salary Adjustment Fund		10,000,000	0	10,000,000	0.00	10,000,000
Compensation Adjustment Reserve		160,000,000	0	160,000,000	0.00	160,000,000
Teachers' & State Employees' Retirement Contribution	0	36,000,000	0	36,000,000	0.00	36,000,000
Judicial Retirement System Contribution	0	1,000,000	0	1,000,000	0.00	1,000,000
Reserve for Future Benefit Needs	0	56,400,000	0	56,400,000	0.00	56,400,000
Firemen's and Rescue Squad Workers' Pension Fund	0	(820,000)	0	(820,000)	0.00	(820,000)
State Health Plan	0	101,000,000	0	101,000,000	0.00	101,000,000
Unemployment Insurance Reserve	0	0	13,600,000	13,600,000	0.00	13,600,000
Job Development Investment Grants (JDIG)	27,400,000	35,645,357	0	35,645,357	0.00	63,045,357
NC Government Efficiency and Reform Project	0	0	2,000,000	2,000,000	0.00	2,000,000
Information Technology Fund	6,053,142	0	0	0	0.00	6,053,142
Information Technology Reserve Fund	0	7,820,000	24,180,000	32,000,000	0.00	32,000,000
One North Carolina Fund	9,000,000	0	0	0	0.00	9,000,000
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Reserve for Pending Legislation		11,641,000		11,641,000	0.00	11,641,000
Subtotal Statewide Reserves	47,453,142	418,686,357	39,780,000	458,466,357	0.00	505,919,499
Total Reserves and Debt Service	756,149,861	400,037,573	39,780,000	439,817,573		1,195,967,434
Total General Fund for Operations	20,429,009,621	667,121,244	60,036,075	727,157,319	-814.38	21,156,166,940

Summary of General Fund Appropriations						
Fiscal Year 2014-15						
2013 Legislative Session						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring	Nonrecurring	Net	FTE	Appropriation
	2014-15	Adjustments	Adjustments	Changes	Changes	2014-15
Capital Improvements						
National Guard Projects	0	0	3,250,000	3,250,000		3,250,000
Samarkand Training Facility	0	0	5,173,000	5,173,000		5,173,000
Appalachian State University - Health Sciences Building	0	2,000,000		2,000,000		2,000,000
Total Capital Improvements	0	0	10,423,000	10,423,000		10,423,000
Total General Fund Budget	20,429,009,621	667,121,244	70,459,075	737,580,319	-814.38	21,166,589,940

EDUCATION
Section F

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Public Education

GENERAL FUND

	FY 13-14	FY 14-15
Recommended Budget	\$7,984,924,757	\$8,111,097,830

Legislative Changes

A. Technical Adjustments

1 Average Daily Membership (ADM)	\$11,776,341	R	\$12,316,344	R
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Revises projected ADM to reflect 6,642 more students than originally projected in FY 2013-14 and 6,636 more students than originally projected in FY 2014-15. This adjustment includes revisions to all position, dollar, and categorical allotments.

Total revised allotted ADM for FY 2013-14 is 1,509,985, an increase of 17,192 students over FY 2012-13. Total revised allotted ADM for FY 2014-15 is 1,526,591, an increase of 16,606 students over FY 2013-14.

2 ADM Adjustment: Opportunity Scholarships	(\$12,085,436)	R	(\$35,853,560)	R
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Adjusts the FY 2013-14 and FY 2014-15 ADM to reflect the estimated decrease in public school enrollment resulting from the Opportunity Scholarship Grants authorized by Section 8.29 of this act.

3 Average Salaries for Certified Personnel	(\$19,373,083)	R	(\$19,480,756)	R
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Makes two adjustments to projected certified personnel salaries. First, budgeted funding for certified personnel salaries is revised based on actual salary data from December 2012. Secondly, an additional negative adjustment is made to allow for the budgeting of \$7.5 million transferred in FY 2011-12 and FY 2012-13 from budgeted personnel salaries to support the ACT suite of assessments. These adjustments do not reduce any salary paid to certified personnel, nor do they reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.

4 Civil Penalties	(\$25,950,674)	NR		
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Increases budgeted receipts from Civil Penalties and takes a corresponding General Fund reduction to reflect one-time transfers from the Department of Transportation in FY 2012-13. These funds are used to support State Public School Fund requirements.

5 Sales Tax Receipts Transfer to State Public School Fund	(\$5,025,426)	R	(\$6,553,965)	R
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Increases the annual transfer from the Department of Revenue (DOR) to the State Public School Fund based on projected growth in State sales tax proceeds. This transfer was initiated in S.L. 2005-276 in lieu of a State sales tax refund to local school administrative units (LEAs). Funds from the DOR transfer are used to support State Public School Fund requirements. The total DOR transfer will be \$51.3 million in FY 2013-14; \$52.8 million in FY 2014-15.

FY 13-14**FY 14-15****6 Low Wealth Supplemental Funding**

(\$18,435,300) R (\$18,435,300) R

Adjusts the supplemental allotment for school districts in low wealth communities to align funding availability with actual school district eligibility. This adjustment will not reduce funding to eligible districts. \$209.0 million will be available in this allotment in FY 2013-14 and FY 2014-15.

C. Other Public School Funding Adjustments**7 Limited English Proficiency**

(\$3,000,000) R (\$3,000,000) R

Reduces the allotment for Limited English Proficiency to account for declining enrollment based on revised student headcount figures. \$78.3 million will be available in this allotment in FY 2013-14; \$85.0 million will be available in FY 2014-15.

8 ACT Assessments

\$7,500,000 R \$7,500,000 R

Provides a dedicated source of State funding for the administration of the ACT testing suite, which include the ACT, PLAN, EXPLORE, and WorkKeys diagnostic assessments.

9 School Bus Replacement

(\$29,823,055) R (\$39,102,605) R

Reduces funding for school bus replacement and modifies the school bus replacement standards pursuant to Section 8.11. Currently, school buses are eligible for replacement after 20 years or 200,000 miles of service. This item modifies the mileage and age standards and appropriates sufficient funding to replace all school buses meeting the revised criteria. 539 buses will be replaced in FY 2013-14; 579 buses will be replaced in FY 2014-15. \$37.8 million will be available for this purpose in FY 2013-14; \$49.6 million will be available in FY 2014-15.

10 Stop Arm Cameras

\$690,000 R \$690,000 R

Provides funding to purchase two school bus stop arm safety cameras for all 115 LEAs in both years of the biennium. The cameras are intended to improve student safety by serving as a visible deterrent to potential stop arm violators and documenting actual violations for use in prosecution.

11 LEA Flexibility Adjustment

\$0 R \$7,740,076 R

Provides funding to reduce the LEA Adjustment by 2.0% in FY 2014-15. The State Board of Education shall distribute the remainder of the LEA Adjustment to all LEAs and charter schools on the basis of ADM. LEAs and charter schools will then be responsible for identifying budget reductions in order to meet their share of the Adjustment. \$376.1 million will remain in the Adjustment in FY 2013-14 and \$368.4 million will remain in FY 2014-15.

12 Small County Supplemental Funding

Restructures this allotment to restrict eligibility to only those counties with ADM of 3,900 or less and provides per-pupil funding on a sliding scale based on the size of the school district. LEAs made ineligible under this formula will have their allotment phased-out over a five-year period. A related provision, Section 8.4, provides additional details on this change. \$44.8 million will remain in this allotment in FY 2013-14 and \$42.4 million will remain in FY 2014-15.

(\$803,804) R (\$3,213,734) R

13 Instructional Supplies

Slightly increases funding for this allotment over the biennium. The General Fund recurring reduction is fully offset by \$4.2 million in Lottery receipts in FY 2013-14 and \$1.6 million in Lottery receipts in FY 2014-15 and nonrecurring General Fund monies. \$50.9 million will be available in this allotment in FY 2013-14; \$51.7 million will be available in FY 2014-15.

(\$11,828,140) R (\$11,979,143) R
 \$7,816,365 NR \$10,408,978 NR

14 Education Value Added Assessment System (EVAAS)

Increases General Fund support for EVAAS to continue expansion initially supported by receipts in FY 2012-13. That expansion enables: 1) direct access to value-added information for teachers who teach classes with an End of Course/End of Grade test, and 2) capability for users to export EVAAS data and merge it with other relevant analyses. Total EVAAS funding will be \$2.7 million.

\$850,000 R \$850,000 R

15 EVAAS School Performance Grades

Provides funds for the data collection, analysis and calculation of school performance grades, as described in Section 8.13.

\$300,000 NR \$100,000 R

16 Teacher Assistants

Reduces Teacher Assistants funding by 4% in FY 2013-14 and 5% in FY 2014-15 and allocates funding on the basis of student headcount in grades K-3. In FY 2013-14, \$546.2 million will remain in this allotment. In FY 2014-15, \$558.3 million will remain in this allotment.

(\$24,621,965) R (\$29,114,988) R

17 Education-Based Salary Supplements

Phases out education-based salary supplements in FY 2014-15 for certain education personnel not compensated for such supplements in FY 2013-14, as directed in Section 8.22.

(\$18,900,000) R

18 Excellent Public Schools Act

Provides additional funds to the Department of Public Instruction to carry out elements of the Excellent Public Schools Act contained in Section 7A.1 of S.L. 2012-142, except for the reading plans and workshops for parents of retained students authorized by the Act in G.S. 115C-83.1H(d).

\$1,000,000 R \$1,000,000 R
 \$13,578,841 NR

19 Educator Effectiveness and Compensation Task Force

Supports the costs associated with a newly established North Carolina Educator Effectiveness and Compensation Task Force, created in Section 8.31.

\$62,000 NR

FY 13-14

FY 14-15

20 Opportunity Scholarships

\$10,000,000 R \$40,000,000 R

Provides funds for Opportunity Scholarship Grants, as authorized by Section 8.29 of this act. The program will create scholarship grants of up to \$4,200 per year for eligible students to attend nonpublic schools.

21 Advanced Placement/International Baccalaureate

\$1,500,000 R \$15,802,800 R

Provides support to encourage Advanced Placement (AP) and International Baccalaureate (IB) participation in all LEAs, defray student fees for AP/IB tests, and award incentive bonuses to teachers of students deemed to successfully complete AP/IB tests. FY 2013-14 funds support the creation and initial efforts of the North Carolina Advanced Placement Partnership, as prescribed by Section 8.27. FY 2014-15 funds support the Partnership, student test fees, and teacher incentive bonuses.

22 School Safety

\$16,000,000 R \$16,000,000 R

Provides \$10 million in recurring support for School Resource Officers in elementary and middle schools, \$2 million for installing and maintaining panic alarms in public schools, and \$4 million for school psychologists, school counselors, and social workers. Sections 8.35 through 8.45 describe the rules related to the distribution of this funding.

23 Career Technology Education Test Fees and Incentive Bonuses

\$1,252,157 R \$7,011,200 R

Provides support to defray student fees for examinations leading to industry certifications and credentials and to fund incentive bonuses to LEAs on the basis of student certification in high-value fields, as identified by the State Board of Education and the Department of Commerce. Test fees will be supported in both years of the biennium while the incentive bonuses will begin in FY 2014-15, governed by the guidelines found in Section 8.28.

24 Education Innovation Grants

\$2,000,000 R \$2,000,000 R

Provides support for a pilot program that will make competitive grants to foster innovation in education with a goal to graduate more career- and college-ready students. Section 8.34 details the program rules.

25 Cooperative and Innovative High School Allotment

\$310,669 R \$310,669 R

Provides funding for Yadkin Valley Regional Career Academy to receive Cooperative and Innovative High School allotment support.

D. Pass-through Funds**26 Teach for America**

\$500,000 R \$500,000 R

Provides additional State support to Teach for America (TFA), an organization that focuses on new teacher recruitment, training, and placement in high-need school districts.

FY 13-14**FY 14-15****27 Tarheel Challenge**

(\$767,719) R

(\$767,719) R

Transfers funding from the Department of Public Instruction for Tarheel Challenge, a National Guard program for at-risk youth, to the Department of Public Safety (DPS) budget. The State funds were transferred to DPI in 2009, but federal matching funds remain with DPS. This transfer consolidates all of the funding for Tarheel Challenge in one place. A corresponding increase can be found in the Justice and Public Safety Section of this budget.

28 Teaching Fellows

(\$3,000,000) NR

(\$3,000,000) NR

Reinstates the Teaching Fellows program pursuant to Section 8.32. Sufficient funding would remain to restore the program and begin recruiting a new class of Teaching Fellows in FY 2014-15.

29 Rural Charter School Development

\$464,100 R

\$464,100 R

Supports a pilot program administered by Parents for Educational Freedom in North Carolina (PEFNC) intended to accelerate charter school development in rural North Carolina. A related provision, Section 8.33, articulates the rules governing the program.

E. Department of Public Instruction**30 Office of Charter Schools**

\$320,000 R

\$320,000 R

Adds three consultant positions to DPI's Office of Charter Schools. These positions will be used to keep pace with the increase of newly-established charter schools in North Carolina. Funds are included for salaries and benefits, travel, technology needs, and miscellaneous expenses.

3.00

3.00

31 DPI Flexible Reduction

(\$520,327) R

(\$520,327) R

Reduces State support for Department of Public Instruction operations, including salaries and benefits, by 1.2%. The State Board of Education may allocate this reduction at its discretion.

Total Legislative Changes

(\$72,120,988) R

(\$74,316,908) R

(\$7,193,468) NR

\$7,408,978 NR

Total Position Changes

3.00

3.00

Revised Budget

\$7,905,610,301

\$8,044,189,900

Community Colleges

GENERAL FUND

	FY 13-14	FY 14-15
Recommended Budget	\$1,037,430,475	\$1,037,430,475

Legislative Changes

A. Enrollment

32 Enrollment Model Funding Change

(\$19,893,462)	R	(\$19,893,462)	R
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Modifies the community college enrollment funding model. Currently, community colleges are funded based on the higher of the prior year's actual enrollment or the three-year average enrollment. This adjustment shifts the three-year average to a two-year average, and accounts for varying enrollment among the tiered funding levels.

33 NC Guaranteed Admission Program Enrollment Reserve

		\$4,451,700	NR
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Transfers funds from the UNC System to fund an enrollment growth reserve in FY 2014-15. The State Board of Community Colleges shall distribute the reserve to those colleges experiencing an increase in enrollment from students participating in the NC Guaranteed Admission Program (NC GAP), as described in Section 11.17. NC GAP will provide certain students with guaranteed admission to a UNC campus as a junior, upon completion of an associate's degree. In future years, funding for these students will be incorporated in regular enrollment growth funding.

B. Tuition and Fees

34 Curriculum Tuition

(\$10,433,065)	R	(\$10,433,065)	R
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Increases curriculum tuition by \$2.50 per credit hour and makes a corresponding General Fund reduction in anticipation of increased tuition receipts.

Tuition will increase from \$69 to \$71.50 per credit hour for residents and from \$261 to \$263.50 for nonresidents. Tuition for full-time resident students will increase by a maximum of \$80 per year, from \$2,208 to \$2,288.

35 Continuing Education Fee

(\$664,509)	R	(\$664,509)	R
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Increases continuing education fees by \$5 per course and takes a corresponding General Fund reduction in anticipation of increased tuition receipts. The new fees will be as follows:

- Classes 1-24 hours - \$70,
- Classes 25-50 hours - \$125,
- Classes 51+ hours - \$180.

36 Senior Citizens Tuition Waiver

(\$970,000) R (\$970,000) R

Eliminates the tuition waiver found in G.S. 115D-5(b)(11) that waives tuition for up to six hours of credit instruction and one course of noncredit instruction per academic semester for senior citizens age 65 or older who are qualified as legal residents of North Carolina.

C. Performance Funding

37 Restore Management Flexibility Reduction

\$9,000,000 R \$12,000,000 R

Provides funding to restore a portion of the management flexibility reduction. These funds will be distributed to colleges in accordance with the Community College Institutional Performance Accountability structure, as amended in Section 10.5.

38 Curriculum Formula Funding

(\$7,500,000) R (\$7,500,000) R

Reduces regular formula funding for curriculum instruction. These funds will instead be distributed in accordance with the Community College Institutional Performance Accountability structure, as amended in Section 10.5.

39 Continuing Education Funding Formula

(\$1,500,000) R (\$1,500,000) R

Reduces regular formula funding for continuing education instruction. These funds will instead be distributed in accordance with the Community College Institutional Performance Accountability structure, as amended in Section 10.5.

40 Basic Skills Funding Formula

(\$3,000,000) R

Reduces regular formula funding for basic skills instruction. These funds will instead be distributed in accordance with the Community College Institutional Performance Accountability structure, as amended in Section 10.5.

D. Other State Aid Adjustments

41 Equipment

\$10,000,000 NR

Provides funds for the purchase of instructional equipment and technology at all 58 colleges. These funds are in addition to the \$49 million included in the base budget for this purpose. Funds shall be distributed in accordance with the existing equipment formula.

42 Manufacturing Solutions Center

\$150,000 R \$150,000 R

Provides additional funding for the Manufacturing Solutions Center at Catawba Valley Community College. Total funding for this program will be \$696,922.

43 Textile Technology Center

\$150,000 R \$150,000 R

Provides additional funding for the Textile Technology Center at Gaston College. Total funding for this program will be \$503,954.

44 Customized Training

Reduces the Customized Training budget on a one-time basis. Total recurring funding for the program is \$12.5 million; however, per G.S. 115D-5.1(f2), unexpended funds for the program do not revert and are instead carried forward to the next year. The total amount available for expenditure in FY 2013-14 is projected to be \$20.8 million.

(\$2,000,000) NR

45 Data Connectivity

Eliminates a portion of the recurring funding for data connectivity at each community college's main campus. Due to their concentrated buying power, community colleges were able to negotiate lower rates and these funds have remained unspent. Total funding remaining for the initiative will be \$4,986,528.

(\$647,972) R (\$647,972) R

46 BioNetwork

Reduces funds for the BioNetwork program. Total funding remaining for the program will be \$4,159,611.

(\$100,000) R (\$100,000) R

47 Botanical Laboratory

Reduces support for the categorical allotment for the botanical laboratory at Fayetteville Technical Community College, leaving \$132,000 remaining in the allotment for this program. The college will continue to receive regular FTE formula funding for enrollment at the botanical laboratory, and may use other State funding allocated to it to continue the program.

(\$132,000) R (\$132,000) R

E. Community Colleges System Office Adjustments

48 GED Program Office

Shifts \$104,266 in FY 2013-14 and \$208,533 in FY 2014-15 from the Basic Skills Block Grant to the Community Colleges System Office to administer the Adult High School and General Education Development (GED) Programs.

2.50 2.50

S.L. 2011-145 shifted this program's budget and the associated 2.5 positions from General Fund appropriations to receipt support from GED exam fees. Due to changes in the GED exam, these fees will no longer be paid to the System Office as of January 1, 2014. This item shifts the program budget, including two GED and Adult High School Tech positions and one-half of the Education Program Director position, back to General Fund appropriations.

49 System Office Advertising and Travel

Reduces the System Office budget for advertising (\$100,000) and travel (\$20,000).

(\$120,000) R (\$120,000) R

50 Audit Services

Eliminates recurring funding for the Audit Services division of the System Office. Restoration of recurring funding is subject to the results of a study by the State Board of Community Colleges in accordance with Section 10.15 of this act.

(\$551,572) R
\$551,572 NR (\$551,572) R
\$551,572 NR

House Subcommittee on Education	FY 13-14		FY 14-15	
51 State Board Reserve	(\$132,000)	R	(\$132,000)	R
Reduces funding for the State Board reserve, leaving \$368,000 in this reserve.				
<hr/>				
Total Legislative Changes	(\$33,344,580)	R	(\$33,344,580)	R
	\$8,551,572	NR	\$5,003,272	NR
Total Position Changes	2.50		2.50	
Revised Budget	\$1,012,637,467		\$1,009,089,167	
<hr/>				

UNC System

GENERAL FUND

	FY 13-14	FY 14-15
Recommended Budget	\$2,709,551,807	\$2,737,874,470

Legislative Changes

A. Strategic Directions Initiative

52 Degree Attainment	\$6,000,000	R	\$9,000,000	R
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Provides funding to increase degree attainment by improving graduation rates of existing students, increasing part-way home and transfer student success, and improving accessibility to North Carolina's military, adult learners, and high school graduates. Funding will be distributed as follows:

- 1) Performance Improvement Fund
 FY 2013-14: \$1.0 million R
 FY 2014-15: \$3.0 million R

- 2) Early Warning System
 FY 2013-14: \$1.0 million R
 FY 2014-15: \$1.0 million R

- 3) Success of Transfer and Part-Way Home Students
 FY 2013-14: \$1.0 million R
 FY 2014-15: \$2.0 million R

- 4) Nonresident Veterans Tuition Assistance
 FY 2013-14: \$3.0 million R
 FY 2014-15: \$3.0 million R

53 Research	\$2,400,000	R	\$12,100,000	R
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Provides funding for focused investments in faculty, research, and scholarship that support UNC priorities. As directed in Section 11.14, funding is provided for capital facilities lease costs, startup and infrastructure, and shared research equipment, as well as the following research areas:

- Advanced Manufacturing
- Data Sciences
- Defense, Military, and Security
- Energy
- Marine and Coastal Sciences
- Pharmaco-engineering

	\$1,000,000	NR	\$10,000,000	NR
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FY 13-14**FY 14-15****54 Academic Quality**

\$2,100,000	R	\$2,700,000	R
\$3,000,000	NR		

Provides funding to better assess student learning and develop new methods of instruction that incorporate technology, distance education, and core competencies. Funding will be distributed as follows:

- 1) Comprehensive Distance Education Plan
FY 2013-14: \$1.0 million R
FY 2014-15: \$1.0 million R
- 2) Enhanced 2+2 Delivery
FY 2013-14: \$0.5 million R
FY 2014-15: \$0.5 million R
- 3) Competency Based Assessment
FY 2013-14: \$0.6 million R
FY 2014-15: \$1.2 million R
- 4) Eliminate Distance Education Charge for Full-Time Students
FY 2013-14: \$3.0 million NR

55 Streamlined Operations

\$1,500,000	R	\$2,000,000	R
\$800,000	NR	\$1,500,000	NR

Provides funding to streamline operations, to be distributed as follows:

- 1) College Foundation of North Carolina (CFNC)
FY 2013-14: \$1.0 million R
FY 2014-15: \$1.0 million R
- 2) Enhance Private Development
FY 2013-14: \$0.5 million R
FY 2014-15: \$1.0 million R
- 3) Enhanced Data Analytics
FY 2013-14: \$0.8 million NR
FY 2014-15: \$1.5 million NR

56 Administrative and Operational Efficiencies

(\$10,000,000)	R	(\$15,000,000)	R
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Reduces funding in anticipation of savings from the implementation of administrative and operational efficiencies, including:

- Shared services for residency determination, internal audit, financial aid review, and IT infrastructure;
- Strategic purchasing;
- Span of control evaluations;
- Improved business practices; and
- Energy efficiency measures.

57 Instructional Efficiencies

(\$15,800,000)	R	(\$21,100,000)	R
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Reduces funding in anticipation of savings from the implementation of system-wide academic programming measures, including system-wide section size guidelines and improved transferability of credits between UNC campuses.

58 Program Consolidation

		(\$1,900,000)	R
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Reduces funding in anticipation of savings from the consolidation of small or duplicative programs within the UNC System.

B. Other Adjustments**59 Tuition Increases for Nonresident Students**

(\$48,000,000) R

Increases tuition rates for nonresident students beginning in FY 2014-15. Nonresident tuition rates for graduate and undergraduate degree programs will be increased by 12.3% for UNC-SA, NCA&T, NCSU, UNC-C, UNC-CH, and UNC-W and 6% for all other campuses.

(\$6,100,000) NR

60 NC Guaranteed Admission Program Enrollment Savings

(\$12,605,822) R

Decreases enrollment growth funding for FY 2014-15 in anticipation of reduced enrollment at the UNC System due to the implementation of the NC Guaranteed Admission Program (NC GAP), as described by Section 11.17. NC GAP will provide certain students with guaranteed admission to a UNC campus as a junior, upon completion of an associate's degree. From these savings, \$4,451,700 is transferred to the NC Community College System for an enrollment growth reserve.

61 Management Flexibility Reduction

(\$54,838,170) R

Mandates a management flexibility reduction for the UNC operating budget. As directed in Section 11.5, the UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions.

(\$70,097,586) NR

(\$11,964,100) NR

62 Optional Retirement Program Forfeitures

(\$4,000,000) R

Reduces UNC's budget by \$4 million annually. The UNC System shall offset this reduction by replacing contributions to the Optional Retirement Program with forfeitures the Program receives under G.S. 135-5.1(b)(5).

(\$4,000,000) R

63 McNair Hall Building Reserve

(\$150,185) R

Eliminates recurring operating funds previously budgeted for an addition to McNair Hall at NCA&T State University. The McNair Hall addition was to be part of the Graduate Engineering School Project but has been cancelled.

(\$150,185) R

64 UNC School of Medicine Subsidy

(\$15,000,000) R

Eliminates the reserve for the UNC School of Medicine.

(\$15,000,000) R

C. Financial Aid**65 Tuition Grant for NC Science & Math Graduates**

(\$1,248,310) R

Completes the phase out of the UNC tuition grant for graduates of the North Carolina School of Science and Math (NCSSM). \$1,220,765 will remain in the budget for FY 2013-14 to pay tuition for students who graduated from NCSSM in 2010; all funding is eliminated for FY 2014-15.

(\$2,469,075) R

66 National Board Certification Loan Program

(\$3,174,500) R

Reduces recurring funding for this revolving loan program for teachers pursuing certification by the National Board for Professional Teaching Standards. Total remaining recurring funding will be \$100,000. Additionally, Section 11.2 reduces the available fund balance for the program, leaving \$1,300,000 to support ongoing operations.

(\$3,174,500) R

House Subcommittee on Education

FY 13-14**FY 14-15****67 UNC Need-Based Grant Forward Funding Reserve**

\$3,454,656 R

\$3,454,656 R

Provides additional funding for the UNC Need-Based Grant Forward Funding Reserve. In addition to these funds, Section 11.2 appropriates \$5 million in other funds to the reserve. A total of \$122,475,842 will be available for scholarships in each year.

\$20,882 NR

68 NC Need-Based Scholarship

\$4,500,000 R

\$4,500,000 R

Provides additional funding for the NC Need-Based Scholarship for private college students. Total program funding for FY 2013-14 and FY 2014-15 will be \$86,351,588.

Total Legislative Changes**(\$84,256,509) R****(\$144,483,096) R****(\$65,276,704) NR****(\$6,564,100) NR****Total Position Changes****Revised Budget****\$2,560,018,594****\$2,586,827,274**

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**HEALTH
&
HUMAN SERVICES
Section G**

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Health and Human Services

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Budget	\$4,615,870,375		\$4,630,560,536	

Legislative Changes

(1.0) Division of Central Management and Support

1 Office of Citizen Services Positions (\$339,787) R (\$339,787) R

Eliminates six positions associated with the elimination of the NC Care Line in S.L. 2011-145.

-6.00 -6.00

- 60037847 Processing Assistant III
- 60037849 Community Service Consultant
- 60037850 Administrative Officer I
- 60037854 Processing Assistant V
- 60037855 Human Service Planner/Evaluator II
- 60090103 Administrative Officer I

2 Adjustment Based on Historical Transfers/Elimination of Vacant Positions (\$2,232,830) R (\$2,232,830) R

Reduces funds based on transfers from the Division of Central Management to the Division of Medical Assistance. In FY 2010-11 approximately \$3.7 million was transferred from lapsed salary, contracts and Division of Information and Resource Management (DIRM) administration accounts. In FY 2011-12 approximately \$2.7 million was transferred from lapsed salary and indirect cost accounts. These funds were transferred to the Division of Medical Assistance to cover Medicaid shortfalls in both years. In order to achieve this reduction, the Secretary may exercise the authority provided in Section 12A.1 to eliminate vacant positions throughout the Department.

3 North Carolina Families Accessing Services Through Technology (NC FAST)

Provides funds to match federal receipts and continue the development and implementation of NC FAST.

\$864,655 NR

4 Department of Justice Settlement Agreement

\$3,834,275 R \$9,394,658 R

Provides funds pursuant to the agreement between the State and the U.S. Department of Justice to develop and implement housing, support, and other services for people with mental illness. The funds will be used to provide services to an additional 150 people in FY 2013-14 and up to 708 people in FY 2014-15.

5 Medicaid Management Information System (MMIS)

Directs the Department to use prior-year earned revenue to fund this system.

- FY 2013-14: \$9,658,152 NR
- FY 2014-15: \$1,666,625 NR

FY 13-14

FY 14-15

6 Medication Assistance Program

Provides funding for the Medication Assistance Program (MAP). MAP assists uninsured, low-income people in obtaining free prescription drugs.

\$1,704,033 R \$1,704,033 R

7 NC MedAssist Program

Provides funding to award a grant to the NC MedAssist Program to expand the capacity of its statewide pharmacy program which serves uninsured and low-income persons.

\$400,000 R \$400,000 R

8 Funds For Non-Profits

Provides funds for historically funded non-profits for FY 2013-14. The Department is directed to create a competitive block grant process for the appropriation of these funds beginning in FY 2014-15. In addition to the state funds, Social Services Block Grant funds are appropriated for non-profits for FY 2013-14 in the amount of \$3,194,751 for a total appropriation of \$12,723,885.

\$9,529,134 NR

9 Supplemental Short-Term Assistance for Group Homes

Appropriates funds 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 for: non-hands on assistance, supervision and medication management for a resident who meets the required eligibility criteria. Funds for this purpose are capped at a maximum amount of \$8,000,000 and will end upon the implementation of a tiered State-County Special Assistance Block Grant program or upon depletion of the funds.

\$8,000,000 NR

10 Statewide Telepsychiatry Program

Provides funds to establish a statewide telepsychiatry program to provide consultant services as an alternative to alleviate hospital emergency department wait times, involuntary commitments, and local law enforcement involvement in the transport of patients who have been involuntarily committed, especially in rural and medically underserved areas. The funds are provided to the Office of Rural Health and Community Care to be used to establish and administer the program and to purchase telepsychiatry equipment for the State-owned facilities.

\$2,000,000 R \$2,000,000 R

(2.0) Division of Child Development and Early Education

11 County Services Support from 4% to 3% of Child Care Allocations

Reduces general fund appropriation for local county departments of social services administration for the child care subsidy program. Local administrative costs will be 3% of a county's subsidized child care allocation or \$80,000 whichever is greater. The Subsidized Early Education for Kids (SEEK) system being implemented will automate manual processes, such as keying attendance data and issuing checks to providers which will reduce administrative costs to the local departments of social services.

(\$2,500,000) R (\$2,624,189) R

12 Regulatory Positions Shifted from State to Federal Funding	(\$900,000)	R	(\$900,000)	R
Transfers \$604,541 in salaries and \$204,962 in benefits for 14 positions as well as \$90,497 in operating costs to receipt support by utilizing the Child Care Development Fund block grant. The Child Care Regulatory fund has \$1.5 million remaining in state appropriations. The following positions are affected:				
	-14.00		-14.00	

- 60038736 Child Day Care Specialist
- 60038746 Child Day Care Specialist
- 60038747 Child Day Care Specialist
- 60038610 Child Day Care Specialist
- 60038743 Child Day Care Specialist
- 60038742 Child Day Care Specialist
- 60038735 Child Day Care Specialist
- 60038741 Child Day Care Specialist
- 60038745 Child Day Care Specialist
- 60038734 Child Day Care Specialist
- 60038739 Child Day Care Specialist
- 60038749 Child Day Care Specialist
- 60038730 Child Day Care Specialist
- 60038835 Program Assistant V

13 Seat Management Funding Elimination	(\$38,125)	R	(\$38,125)	R
Eliminates funding for seat management, the outsourcing of management of workstation capabilities for employees, including hardware and software.				

14 Adjustments Based on Historical Transfers	(\$652,500)	R	(\$652,500)	R
Reduces funds based on transfers from the Division of Child Development and Early Education to the Division of Medical Assistance. In FY 2011-12 approximately \$870,000 was transferred from lapsed salary, contracts and administrative services to the Division of Medical Assistance to cover the Medicaid shortfall.				

15 Pre-K Slots
 Provides \$24,800,000 additional funding from lottery receipts to add 5,000 slots for Pre-K. These additional slots bring the total available Pre-K slots to 30,000.

(4.0) Division of Social Services

16 Seat Management Funding Elimination	(\$606,695)	R	(\$606,695)	R
Eliminates funding for seat management, the outsourcing of management of workstation capabilities for employees, including hardware and software.				

17 Adjustment Based on Historical Transfers

(\$1,875,000) R (\$3,500,811) R

Reduces funds based on historical transfers from the Division of Social Services to the Division of Medical Assistance. In FY 2010-11 \$9.7 million was transferred from contracts, unused adoption and foster care services funding, and other administrative funds. In FY 2011-12 the division transferred approximately \$15.3 million. Of this amount approximately \$4.5 million was from unspent foster care and adoption services funding, \$600,000 from lapsed salary, \$1 million in contracts, and \$4 million from non-recurring revenue from prior year earned revenue, indirect costs and prior year audit and adjustments. The remaining funds came from administration, including seat management. Some of the historical transfers are reduced in the seat management and contract and administrative reduction items. Foster Care and Adoption services funding was reduced in the continuation budget.

18 Contract and Administrative Savings

(\$1,066,123) R (\$1,066,123) R

Eliminates funds for the Child Welfare Multiple Response System (MRS) Conference that trained county staff on MRS. The conference is no longer needed as MRS has been implemented statewide. Also eliminates funds for the forms and supply warehouse that is no longer needed as the warehouse has closed. The remaining reduction is from administration and internet billing costs.

19 Federal Funds for County Child Welfare Services Replacement

\$4,826,346 NR \$4,826,346 NR

Provides funds to partially replace federal funding for child welfare administration due to a change in the application of federal policy. The State supports county DSS agencies at an overall rate of 31% of the non-federal share of their county budgets for public assistance and service programs. This appropriation replaces 33% of the lost federal funding on a nonrecurring basis to support the counties while the North Carolina Families Accessing Services through Technology (NCFAST) information system is being developed and implemented. Once fully implemented, NCFAST is projected to save administrative costs for counties.

20 NC Reach - Child Welfare Postsecondary Education

\$187,275 R \$364,415 R

Provides funds to support 10% growth each year of the biennium for NC Reach, which provides funds for former foster care youth who have aged out of foster care and children adopted after age 12 who attend college within the UNC and Community College systems. There is currently no waiting list for this service. Expenditure growth rate from FY 2010-11 to FY 2011-12 was 10%. No additional funding was available for FY 2012-13. NC Reach funding is the payer of last resort and covers items such as books, supplies, transportation, and room and board not covered by other funding sources.

21 Adoption Promotion Fund

\$1,500,000 R \$1,500,000 R

Provides funds to support adoptions through reimbursements to private nonprofit organizations to support adoption programs and provide financial incentive to county departments of social services to complete adoptions above an established baseline.

22 Permanency Innovation Initiative Fund

\$1,000,000 R \$2,750,000 R

Provides funds to support the Permanency Innovation Initiative Fund that will improve permanency outcomes for children living in foster care, improve engagement with biological relatives of children in or at risk of entering foster care, and reduce costs associated with maintaining children in foster care.

(6.0) Division of Vocational Rehabilitation**23 Independent Living Program Administration Reduction**

(\$10,000) R (\$10,000) R

Reduces the administrative budget for the Independent Living Program.

24 Vocational Rehabilitation Services Administration Funding

(\$102,236) R (\$102,236) R

Replaces General Fund appropriations budgeted for administrative expenses in the Vocational Rehabilitation Basic Support program with program receipts.

25 State Funding in the Assistive Technology Program Replaced

(\$98,738) R (\$98,738) R

Replaces the General Fund appropriation in the Assistive Technology Program with program receipts.

26 Historical Transfers to Medicaid

(\$300,000) R (\$300,000) R

Reduces funding based on transfers from the Division of Vocational Rehabilitation to the Division of Medical Assistance. In FY 2011-12 approximately \$845,000 was transferred from indirect costs funds to the Division of Medical Assistance to cover the Medicaid shortfall.

(7.0) Division of Aging and Adult Services**27 Seat Management Funding Elimination**

(\$855) R (\$855) R

Eliminates funding for seat management within the Division. The Department discontinued outsourcing management of its workstation capabilities including hardware and software.

28 Adjustment Based on Historical Transfers

(\$300,000) R (\$300,000) R

Reduces funding based on transfers from the Division of Aging and Adult Services to the Division of Medical Assistance. In FY 2011-12 approximately \$470,000 was transferred from lapsed salary and administration accounts were transferred to the Division of Medical Assistance to cover the Medicaid shortfall.

29 Home and Community Care Block Grant (HCCBG)

(\$500,000) R (\$500,000) R

Reduces the HCCBG and transfers the funds to support Project C.A.R.E. \$27 million in General Fund appropriation remains in the HCCBG to provide home and community-based services to seniors and disabled adults.

30 Caregiver Alternatives to Running on Empty (Project C.A.R.E.)

\$500,000 R \$500,000 R

Provides \$500,000 to replace an expiring federal grant to support Project C.A.R.E. The program provides respite and support services to families caring for a person with dementia at home.

31 Long-Term Care Ombudsman

\$200,000 R

Replaces lost federal receipts and maintains the current level of service. In the FY 2011-13 budget, General Fund support for the Long-Term Care Ombudsman was replaced with federal civil monetary penalties receipts. Since then, the Centers for Medicare and Medicaid Services (CMS) has restricted the use of those federal receipts for this purpose.

(8.0) Division of Public Health

32 Early Intervention - Children's Developmental Services Agencies

(\$10,000,000) R

Reduces FY 2013-14 funding to the Division of Public Health based on historical transfers to the Division of Medical Assistance. In FY 2010-11, approximately \$17.1 million was transferred from lapsed salary, administration, and contract accounts to address the Medicaid shortfall. In FY 2011-12, approximately \$17.4 million was transferred. Of the amounts transferred, over half was lapsed salary and other unspent funds budgeted to the Early Intervention Branch. Also eliminates funding, effective July 1, 2014, for 4 of the 16 Children's Development Service Agencies (CDSAs). In determining which CDSAs to close, the Division shall make it a priority to maintain the CDSAs that have the highest caseloads of children who reside in rural or medically underserved areas of the State.

(\$8,000,000) NR

-160.00

33 Food and Lodging Permit Fee

Maintains the State's share of the food and lodging inspection fee at \$25. The annual inspection fee is increased from \$75 to \$95, effective July 1, 2013. All revenues generated by the fee increase will be retained by the counties.

34 AIDS Drug Assistance Program (ADAP) Drug Purchases

(\$8,000,000) R (\$8,000,000) R

Reduces ADAP funding to more accurately reflect current spending levels. ADAP provides pharmaceuticals to financially-eligible persons with AIDS. There are currently two ADAP funding sources: federal Ryan White CARE Act and State appropriations. Due to increased FY 2013-14 federal ADAP receipts, the amount of funds remaining for ADAP pharmaceutical purchases after the \$8 million reduction is anticipated to be \$5 million more than the FY2012-13 budget.

35 Autopsy Fee Receipts

(\$220,000) R (\$220,000) R

Reduces the General Fund appropriation and budgets increased autopsy fee receipts. Effective July 1, 2013, the autopsy fee increases from \$1,000 to \$1,250.

36 State Public Health Laboratory

\$1,052,000 R \$1,052,000 R

Provides funding for the State Public Health Laboratory to offset receipts lost due to FY 2010-11 Medicaid provider rate reductions.

37 NC Tobacco Use Quitline

\$1,000,000 R \$1,000,000 R

Provides funds to continue the operation of the North Carolina Tobacco Use Quitline (NC Quitline). NC Quitline provides free tobacco cessation services and treatment for NC residents.

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

38 LME/MCO Administration	(\$15,228,245)	R	(\$15,228,245)	R
Reduces funds provided for Local Management Entities (LME)/Managed Care Organizations (MCO) administration funding formula. The LME/MCO transition phase will be fully implemented by July 1, 2013 resulting in savings to the General Fund.				
39 Gambling Fund Balance	(\$416,264)	NR		
Budgets accumulated lottery budget receipts transferred to the Division for gambling addiction education and treatment programs. This reduction is not anticipated to affect the level of services provided.				
40 NC High School Athletic Association (NCHSAA)	(\$332,491)	R	(\$332,491)	R
Eliminates the recurring special appropriation for the NCHSAA. In FY 2013-14, nonrecurring funds are provided for NCHSAA in item #8 above, Funds for Non-profits.				
41 Broughton Hospital Beds				
Realigns the Division's base budget to transfer \$3,513,000 recurring from Fund Code 1910 - Reserves and Transfers to Fund Code - 1561 Broughton Hospital to open 19 additional adult psychiatric care beds. These funds were originally appropriated by S.L. 2012-142 for this purpose but contingent upon the status of the Medicaid budget. Due to the contingency, FY 2012-13 funds were placed in the reserve account and then transferred to Budget Code 14445 to address the Medicaid budget shortfall. In the Division's FY 2013-15 continuation budget, the funds remain in Fund Code 1910.				
42 Three-Way Contracts				
Realigns the Division's base budget to transfer \$9 million recurring from Fund Code 1910 - Reserves and Transfers to Fund Code 1464 - Crisis Services to increase the number of three-way contract community hospital beds available to Local Management Entities/Managed Care Organizations. These funds were originally appropriated by S.L. 2012-142 for this purpose but contingent upon the status of the Medicaid budget. Due to the contingency, FY 2012-13 funds were placed in the reserve account and then transferred to Budget Code 14445 to address the Medicaid budget shortfall. In the Division's FY 2013-15 continuation budget, the funds remain in Fund Code 1910.				
In addition to increasing the number of beds which may be purchased, the Department shall develop and implement a two-tiered payment system for the three-way contracts. The two-tiered system shall provide an enhanced payment for inpatients assessed at higher acuity levels. The enhanced payment rate shall not exceed the lowest average cost per patient bed day among the three State psychiatric hospitals.				

43 New Broughton Hospital

Provides funds to purchase medical equipment, furniture, and information technology infrastructure for the new, expanded Broughton Hospital scheduled to open in December 2014.

\$11,510,467 NR \$16,598,589 NR

44 NC Child Treatment Program

Provides funds for the statewide implementation of the NC Child Treatment Program. Funds will be used to provide clinical training to Medicaid-certified physicians, child trauma treatment services, and to develop an online database system.

\$1,818,745 R \$1,818,745 R
\$250,000 NR \$250,000 NR

45 Adult Developmental Vocational Program

Provides funding to the LME/MCOs to serve adults on the waiting list for the Adult Developmental Vocational Program.

\$250,000 R \$250,000 R

(10.0) Division of Health Service Regulation**46 Adjustment Based on Historical Transfers**

Establishes a recurring reduction in the Division of Health Service Regulation at the level of historical transfers made to cover Medicaid shortfalls. Approximately \$600,000 was transferred to the Division of Medical Assistance in FY 2010-11; approximately \$800,000 was transferred to the Division of Medical Assistance in FY 2011-12.

(\$300,000) R (\$300,000) R

(11.0) Division of Medical Assistance**47 Health Homes for the Chronically Ill**

Reflects the last quarter of increased federal match under the Health Homes for the Chronically Ill program for qualified care management per member per month expenditures. Includes an enhanced federal match for all Medicaid care management payments for recipients with comorbid conditions including a chronic health condition and severe and persistent mental health conditions paid through September 30, 2013.

(\$3,757,682) NR

48 Hospital Provider Assessment

Effective July 1, 2013 the hospital provider assessment plan will provide for an increase in the State retention of \$52,000,000 for a total annual retention of \$95,000,000 the total assessment paid by hospitals instead of a stated amount of \$43 million.

(\$52,000,000) R (\$52,000,000) R

49 Report Separately Payments to CCNC and CCNC Providers

\$59,340,923 R \$62,046,013 R

Establishes a separate budget item for per member per month payments to the North Carolina Community Care Network for care management activities and to Community Care North Carolina (CCNC) physicians for CCNC activities for reporting and tracking purposes. The respective amounts are:

FY 2013-14	Total Requirements	State Funds
Care Management	\$125,800,000	\$44,000,000
Provider Payments	\$ 43,800,000	\$15,300,000

FY 2014-15	Total Requirements	State Funds
Care Management	\$131,600,000	\$46,100,000
Provider Payments	\$ 45,700,000	\$16,000,000

50 Physician Expenditures Adjustment to Appropriately Report CCNC Payments

(\$59,340,923) R (\$62,046,013) R

Establishes a separate budget item for per member per month payments to the North Carolina Community Care Network for care management activities and to Community Care North Carolina (CCNC) physicians for CCNC activities for reporting and tracking purposes. The respective amounts are:

FY 2013-14	Total Requirements	State Funds
Care Management	(\$125,800,000)	(\$44,000,000)
Provider Payments	(\$ 43,800,000)	(\$15,300,000)

FY 2014-15	Total Requirements	State Funds
Care Management	(\$131,600,000)	(\$46,100,000)
Provider Payments	(\$ 45,700,000)	(\$16,000,000)

51 Hospital Base Rates

\$0 R \$0 R

Recalibrate the hospital inpatient payment system so that the base rates will be regionally set for all hospitals in that region to eliminate the disparity in rates for the same services between hospitals that exist in the current system. Hospital inpatient services are paid based on a diagnosis related group (DRG) system. There are 746 DRG's in the Medicaid program that represent classifications of services provided during an inpatient hospitalization. Each of the 746 DRG's has a weight that represents the relative resources required for services related to that diagnosis, recipient age, sex and the presence of complications or comorbidities. Hospital payment is determined by applying a base rate, unique to each hospital, to the DRG weight. The hospital base rates were developed using each hospital's costs in 1994. Changes to these base rates have only occurred when the General Assembly has approved an increase or decrease in rates. DHHS will work with hospitals to identify appropriate regional differences and define regional definitions.

52 Medicaid Copays

(\$3,308,100) R (\$4,962,150) R

Increases nominal copays for eligible Medicaid services to the maximum allowed by the Centers for Medicare and Medicaid Services (CMS) effective November 1, 2013. Services that are excluded from copays by CMS are medical emergency services, family planning services, "preventative" services for children and pregnancy-related services. All nominal copays will be capped at the maximum allowed by CMS at June 30, 2013.

53 Medicaid Contract Reductions

\$0 R (\$2,016,771) R

Adjusts contract expenditures in the second year of the biennium to reflect a reduced cost of operation and adjudication of claims related to the new Medicaid Management Information System that will be implemented July 1, 2013.

54 Hospital Outpatient Payments at 70% of Costs

(\$17,128,942) R (\$35,560,681) R

Reduces interim outpatient payments to hospitals to reflect the impact of reducing the settlement to 70% of costs effective January 1, 2014. Hospitals are currently paid for outpatient services at 80% of costs.

55 Shared Savings Payment Plan

(\$12,088,804) R (\$24,522,048) R

Establishes a 2% withhold on selective services effective July 1, 2013. Services subject to the withhold include inpatient hospital, physician (excluding primary care physicians until January 1, 2015), dental, optical services and supplies, podiatry, chiropractors, hearing aids, personal care services, nursing homes, adult care homes and drug dispensing fees. DHHS will work with providers to develop a shared savings plan that will be implemented by June 30, 2014 that will include incentives to provide effective and efficient care that results in positive outcomes for Medicaid recipients. In FY 2013-14 the State share of the amount withheld will be \$9.7 million. This represents a total impact of \$28 million in provider payments, including both the State and federal shares. In FY 2014-15 the State share of the withhold will be \$20.3 million, providers will be eligible for shared savings that are projected to total \$6.0 million and the impact of the shared savings plan on expenditures is projected to be \$10.1 million.

56 Prescribed Drugs- Payment Based on Invoice Costs

(\$18,498,384) R (\$36,996,767) R

Implements a payment system for all medications based on an invoice cost that will be established through biannual surveys to determine the actual cost of drugs to pharmacies and implement a hotline for pharmacies to report concerns effective January 1, 2014. Currently, brand drugs are paid a Wholesale Acquisition Cost (WAC) plus 6% and generic drugs are paid at 195% of the State Medicaid Average Costs (SMAC). The change to invoice pricing will reduce expenditures for drugs by \$27 million and \$55 million in FY 2014-15. Effective January 1, 2014, dispensing fees will be increased to an average payment of \$9.87 for all drugs. The payment system for dispensing fees will retain a \$2 incentive differential for generic drugs and those on the preferred drug list. This will increase expenditures by \$9 million in FY 2013-14 and \$18 million in FY 2014-15.

Additionally, the Department will implement a limit of 4 brand prescription for each Medicaid recipient without prior authorization and work with CCNC to implement reporting to CCNC providers that identifies Medicaid patients by pharmacy provider needing compliance help, identifies patients upon discharge to appropriate pharmacy and recipients who are frequent users of Hospital Emergency Departments.

57 Rehabilitation Services Limitation

(\$2,748,350) R (\$5,651,495) R

Limits adult rehabilitative services for set up and training to three visits per year, effective January 1, 2014.

58 Physician Office Visits Limitation

(\$3,676,525) R (\$7,560,122) R

Reduces the limit on office visits for adults from 22 visits a year to 10 visits a year effective January 1, 2014. Prior authorization will be required for medically necessary visits in excess of 10 per year. Recipients with chronic conditions will be exempted from this limitation.

59 Medicaid Rate Methodologies Modification for Acquired Providers

Modifies Medicaid rate methodologies to ensure that rates paid to hospital or physician providers that were acquired, merged, leased or managed after December 31, 2011 will not exceed rates that would have been paid if the provider had not been acquired, merged, leased or managed.

60 Rate Freeze for Services Subject to Automatic Increases

(\$13,930,613) R (\$21,621,558) R

Freezes rates for hospital outpatient services and other rates that contain an inflation or increase factor not specifically approved by the General Assembly at the rate in effect June 30, 2013. Hospital outpatient services percentage of cost will be adjusted to compensate for expected inflation for which hospitals would be eligible. The cost settlement will be limited to that percentage. Nursing direct care services will continue to receive case mix index increases after June 30, 2013. Federally Qualified Health Centers, Rural Health Centers, State Operated services, Hospice, Part B and D Premiums, third party and HMO premiums, drugs and MCO capitation payments are excluded.

61 Non-emergency Fee for Emergency Services

(\$1,198,401) R (\$2,464,298) R

Establishes a fee for non-emergency services provided in a hospital-owned and operated emergency department on parity with similar services provided in a physician's office. The fee will be effective January 1, 2014. This provision does not apply to professional services.

62 Medicaid Rebase

\$434,000,000 R \$607,000,000 R

Provides Medicaid funding for the continuation of the program at the current level, adjusted for changes in enrollment, mix of enrollment, consumption, new service and new policy. Additionally, the rebase includes the impact of changes in federal match (FMAP), annualization of reductions not fully implemented during FY 2012-13, the extension of Medicaid to the former foster care children until age 26 beginning January 1, 2014, contracts and settlements.

63 Provider Cost Settlements

\$18,000,000 R \$18,000,000 R

Increases funding for Medicaid cost settlements to provide for the growth in Medicaid recipients and the cost of serving Medicaid recipients for those providers whose payments are cost settled after the providers fiscal year. Providers that are cost settled include hospitals, skilled nursing facilities, and Intermediate Care for the Mentally Retarded facilities (ICF-MRs).

64 Contracts

\$11,000,000 R \$11,000,000 R

Provides funding for Medicaid contracts that ensure the appropriate level of medical service is provided, including contracts that provide prior authorization, utilization reviews and assessments of individuals receiving medical care. This increase is due to estimated increases in the Medicaid population being served. Funding is also provided for the asset verification contract which will ensure Medicaid recipients are within the asset limit for eligibility determination purposes.

65 "Woodwork" and Affordable Care Act

\$49,684,791 R \$114,119,120 R

Provides funding for expenditures for new Medicaid recipients. Even though North Carolina has decided not to expand Medicaid eligibility under the Affordable Care Act (ACA) effective January 1, 2014, 69,683 new enrollees are expected to join Medicaid in FY 2013-14 and 72,426 are expected to join in FY 2014-15 as a result of provisions contained in the ACA related to penalties for non-coverage and outreach efforts.

66 Transfer of Health Choice Children

\$22,080,000 R \$46,080,000 R

Transfers all children under 133% of the Federal Poverty Level beginning January 1, 2014 in accordance with the Affordable Care Act which requires they be covered under Medicaid instead of Health Choice. Provides funding for the increase in costs that will be incurred as a result of these recipients being eligible for broader benefits under Medicaid than they had when covered under Health Choice. In FY 2013-14 there will be about 51,000 recipients impacted. The State will retain the State Children's Health Insurance Program federal match instead of the traditional Medicaid federal match. There is a partial offset in Health Choice for this amount.

67 MMIS Implementation Costs

Provides funding to implement manual processes to ensure the appropriate payment of claims by hiring temporary staff or through external contracts. The new Medicaid Management Information System (MMIS) for the adjudication of claims is scheduled to be implemented July 1, 2013. The new system will not contain all of the functionality of the current MMIS.

\$4,828,664 NR

68 Community Care of North Carolina Study

Provides funding for a study to determine whether the Community Care of North Carolina model saves money and improves health outcomes. This was recommended by the State Auditor in the January 2013 performance audit of the Medicaid Program. Total funding available for the study is \$200,000 as the State funds may be used to match federal Medicaid administrative funds.

\$100,000 NR

(12.0) NC Health Choice**69 Transfer of Health Choice Children**

Reduces funds by transferring children to Medicaid. Beginning January 1, 2014 the Affordable Care Act requires all children under 133% of the Federal Poverty Level be covered under Medicaid instead of Health Choice. In FY 2013-14 there will be about 51,000 recipients impacted and the State will retain the State Children's Health Insurance Plan federal match instead of the traditional Medicaid federal match.

(\$12,348,000) R (\$25,480,000) R

70 Contract Budget Adjustment

Reduces Health Choice contract expenditures to actual amounts.

(\$2,800,000) R (\$2,800,000) R

71 Rate Freezes for Services Subject to Automatic Increases

Freezes rates for hospital outpatient services and other rates that contain an inflation or increase factor not specifically approved by the General Assembly at the rate in effect June 30, 2013. Hospital outpatient services percentage of cost will be adjusted to compensate for expected inflation for which hospitals would be eligible. Cost settlement will be limited to that percentage. Federally Qualified Health Centers, Rural Health Centers, State Operated services, Hospice, Part B and D Premiums, third party and HMO premiums, drugs and MCO capitation payments are excluded.

(\$1,265,912) R (\$1,405,614) R

72 Shared Savings Plan

Establishes a 2% withhold on selective services effective July 1, 2013. Services subject to the withhold include inpatient hospital, physician (excluding primary care physicians until January 1, 2015), dental, optical services and supplies, podiatry, chiropractors, hearing aids, personal care services, nursing homes, adult care homes and drug dispensing fees. DHHS will work with providers to develop a shared savings plan that will be implemented by June 30, 2014 that will include incentives to provide effective and efficient care that results in positive outcomes for Medicaid recipients.

(\$460,964) R (\$1,191,471) R

73 Non-emergency fee for Emergency Services

(\$88,796) R (\$183,809) R

Establishes a fee for non-emergency services provided in a hospital-owned and operated emergency department on parity with similar services provided in a physician's office. The fee will be effective January 1, 2014. This provision does not apply to professional services.

74 Prescribed Drugs- Payment Based on Invoice Costs

(\$832,236) R (\$1,664,473) R

Implements a payment system for all medications based on an invoice cost that will be established through biannual surveys to determine the actual cost of drugs to pharmacies and implement a hotline for pharmacies to report concerns effective January 1, 2014. Currently, brand drugs are paid a Wholesale Acquisition Cost (WAC) plus 6% and generic drugs are paid at 195% of the State Medicaid Average Costs (SMAC). The change to invoice pricing will reduce expenditures for drugs by \$27 million and \$55 million in FY 2014-15. Effective January 1, 2014, dispensing fees will be increased to an average payment of \$9.87 for all drugs. The payment system for dispensing fees will retain a \$2 incentive differential for generic drugs and those on the preferred drug list.

Additionally, the Department will implement a limit of 4 brand prescription for each Health Choice recipient without prior authorization and work with CCNC to implement reporting to CCNC providers that identifies Health Choice recipients by pharmacy provider needing compliance help, identifies patients upon discharge to appropriate pharmacy and recipients who are frequent users of Hospital Emergency Departments.

75 Physician Expenditures Adjusted to Appropriately Report CCNC Payments

\$2,557,144 R \$2,699,001 R

Establishes a separate budget for per member per month payments to the North Carolina Community Care Network for care management activities and to Community Care North Carolina (CCNC) physicians for CCNC activities for reporting and tracking purposes. The respective amounts are:

	Total Requirements	State Funds
FY2013-14		
CCNC Care Management	\$5,800,000	\$1,400,000
Provider Payments	\$4,500,000	\$1,100,000
FY 2014-15		
CCNC Care Management	\$6,100,000	\$1,500,000
Provider Payments	\$4,700,000	\$1,200,000

76 Physician Expenditures Adjustment to Appropriately Report CCNC Payments

(\$2,557,144) R (\$2,699,001) R

Establishes a separate budget for per member per month payments to the North Carolina Community Care Network for care management activities and to Community Care North Carolina (CCNC) physicians for CCNC activities for reporting and tracking purposes. The respective amounts are:

	Total Requirements	State Funds
FY2013-14		
CCNC Care Management	(\$5,800,000)	(\$1,400,000)
Provider Payments	(\$4,500,000)	(\$1,100,000)
FY 2014-15		
CCNC Care Management	(\$6,100,000)	(\$1,500,000)
Provider Payments	(\$4,700,000)	(\$1,200,000)

77 Health Choice Rebase

\$6,176,522 R \$11,178,930 R

Provides Health Choice funding to continue of the program at the current level, adjusted for changes in enrollment, mix of enrollment, consumption, new services and new policy. Additionally, the rebase includes the impact of changes in federal match (FMAP), annualization of reductions not fully implemented during FY 2012-13.

78 Cost Settle Hospital Outpatient Services to 70% of Cost

(\$365,239) R (\$753,852) R

Reduces interim outpatient payments to hospitals to reflect the impact of reducing the settlement to 70% of costs effective January 1, 2014. Hospitals are currently paid for outpatient services at 80% of costs.

Total Legislative Changes	\$377,844,750	R	\$556,123,167	R
	\$26,870,665	NR	\$22,539,590	NR
Total Position Changes	-20.00		-180.00	
Revised Budget	\$5,020,585,790		\$5,209,223,293	

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**NATURAL
&
ECONOMIC
RESOURCES
Section H**

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Agriculture and Consumer Services

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Budget	\$108,918,334		\$108,918,334	

Legislative Changes

Department-wide

1 Management Flexibility Reserve

Reduces operational support to encourage increased efficiency. The reduction equates to a 1.6% operating reduction from the Department's continuation budget in FY 2013-14 and 1.4% operating reduction in FY 2014-15.

(\$1,500,000)	R	(\$1,500,000)	R
(\$250,000)	NR		

Food & Drug

2 Food Compliance Officer Position

Provides funding to support a new position in the Food and Drug Division to improve the compliance inspection process in the Grade "A" Milk program.

\$64,338	R	\$64,338	R
\$800	NR		
1.00		1.00	

Forest Service

3 Forest Service Operational Support/Aircraft Maintenance

Provides an additional \$350,000 in recurring funding for operational support. Of the recurring funds provided, the Department shall establish an administrative position whose primary responsibility will be the collection of Forest Service receipts.

\$350,000	R	\$350,000	R
\$500,000	NR		
1.00		1.00	

This section also provides a nonrecurring appropriation of \$500,000 in FY 2013-14 for aircraft maintenance.

Markets

4 Additional Marketing Funding

Provides additional recurring funding to expand domestic and international marketing initiatives to support North Carolina agricultural products. The Department shall also use the additional funds to support the Wine and Grape Growers Council that was funded on a nonrecurring basis in FY 2012-13.

\$1,250,000	R	\$1,500,000	R
1.00		1.00	

The time-limited position supporting the Wine and Grape Growers Council (60080945) will be made permanent and will be supported by funds allocated to the Wine and Grape Growers Council.

Plant Industry**5 Plant Conservation Continuation**

Provides recurring funding to restore the amount no longer transferred from the Natural Heritage Trust Fund. Shifts one position (60012489) previously supported by Natural Heritage Trust Fund receipts to General Fund support.

\$75,000	R	\$75,000	R
1.00		1.00	

Research Stations**6 Research Stations Equipment**

Provides \$2.5 million in nonrecurring funds to allow the Department to modernize farming equipment.

\$2,500,000	NR		
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7 Bioenergy Development

Provides funding to the Department of Agriculture & Consumer Services to stimulate energy production from North Carolina agricultural or forestry based products. Funding is provided to support up to five new positions and a grant program. Operating expenses, including personnel and travel, are not to exceed \$400,000 in FY 2013-14 and \$500,000 in FY 2014-15.

\$900,000	R	\$1,500,000	R
5.00		5.00	

Reserves & Transfers**8 NC Agriculture Foundation (FFA Foundation)**

Transfers and provides additional funding to the FFA Foundation from Commerce State-Aid to the Department of Agriculture and Consumer Services.

\$40,000	R	\$140,000	R
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9 Tobacco Trust Fund

Provides funding to the Tobacco Trust Fund to be disbursed as grants. Administrative expenses may be deducted from funds available, but shall not exceed \$350,000 in any fiscal year.

\$2,000,000	R	\$2,000,000	R
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10 Agricultural Development and Farmland Preservation Trust Fund

Reduces the General Fund appropriation by \$1 million on nonrecurring basis in each year of the biennium. Reduction in General Fund support will be offset by \$1 million in each year of the biennium from TVA Settlement funds.

(\$1,000,000)	NR	(\$1,000,000)	NR
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Soil and Water Conservation**11 AgWRAP**

Provides a recurring \$500,000 appropriation to the Agriculture Water Resource Assistance Program ("AgWRAP"). The program received a nonrecurring \$500,000 appropriation in FY 2012-13.

\$500,000	R	\$500,000	R
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Total Legislative Changes	\$3,679,338	R	\$4,629,338	R
	\$1,750,800	NR	(\$1,000,000)	NR
Total Position Changes	9.00		9.00	
Revised Budget	\$114,348,472		\$112,547,672	

Labor

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Budget	\$16,196,339		\$16,196,339	
Legislative Changes				
Occupational Safety & Health				
12 Partial Restoration of OSHA Federal Receipts	\$500,000	R	\$500,000	R
Provides funds to offset federal funding reductions.				
Standards & Inspections				
13 Apprenticeship Bureau				
Transfers \$350,000 recurring in Workforce Investment Act funds from the Department of Commerce to the Department of Labor for the Apprenticeship program.				
Total Legislative Changes	\$500,000	R	\$500,000	R
Total Position Changes				
Revised Budget	\$16,696,339		\$16,696,339	

Environment & Natural Resources

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Budget	\$109,140,591		\$109,220,682	

Legislative Changes

(1) Department-wide

<p>14 Management Flexibility Reserve Reduces funding to the Department by 1.5% and provides the Secretary with the flexibility to take the reduction to programs and activities that cause the least disruption in service.</p>	(\$1,658,165) R	(\$1,658,165) R
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<p>15 Clean Water Management Trust Fund Provides funding to support the activities of the Clean Water Management Trust Fund. In addition to the recurring General Fund appropriation, the Trust Fund will also be supported with 25% of the deed stamp tax proceeds received by the State and special license plate funds. These dedicated revenue sources previously supported the Natural Heritage Trust Fund which is being eliminated.</p>	\$4,000,000 R 13.50	\$9,000,000 R 13.50
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Aquariums

<p>16 Admission Receipts Budgets over-realized admission fee receipts in the General Fund to offset the operating costs of the State's three aquariums at Roanoke Island, Fort Fisher, and Pine Knoll Shores.</p>	(\$100,000) R	(\$100,000) R
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Conservation, Planning, and Community Affairs

<p>17 Sustainable Communities Task Force Abolishes the Community Planner position (60031547) that supports the Sustainable Communities Task Force, which was created by the General Assembly in 2010 to lead and support the State's sustainable communities initiatives. Also, sunsets the Task Force on June 30, 2013.</p>	(\$95,331) R -1.00	(\$95,331) R -1.00
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<p>18 Operating Support Restores personnel and operating funds for the Office of Conservation, Planning and Community Affairs that had been previously supported with a transfer from the Natural Heritage Trust Fund.</p>	\$325,000 R 3.00	\$325,000 R 3.00
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- 60036191 Program Development Coordinator
- 60036192 Program Development Coordinator
- 60036213 Educational Development Coordinator

Energy, Mineral and Land Resources**19 Energy Office**

\$1,762,714 R \$1,762,714 R

Transfers the Energy Office from the Department of Commerce to the Department of Environment and Natural Resources as a Type I transfer, including 49.91 FTEs supported by receipts in special funds.

6.17

6.17

20 Pass-through Funding to Appalachian State University

(\$240,000) NR (\$240,000) NR

Reduces funding to Appalachian State University. Instead, provides nonrecurring funds from the Tennessee Valley Authority settlement, which must be spent in accordance with either the Consent Decree ("Categories of Projects," paragraph 128) or the Compliance Agreement ("Environmental Mitigation Projects," Appendix C).

21 Shale Gas Exploration

\$300,000 R \$400,000 R

Provides funding to support up to four positions to assist the Energy and Mining Commission as well as operating support including but not limited to annual membership dues to the Southern States Energy Board and marketing expenses related to shale gas resources. Also provides nonrecurring funding to provide for data collection and analysis of geological samples associated with the State's shale gas basins: Deep River Basin, Dan River Basin, and the Cumberland-Marlboro Basin.

\$300,000

NR

\$250,000

NR

4.00

4.00

Environmental Assistance and Outreach**22 Small Business Assistance Program**

(\$19,422) R (\$19,422) R

Budgets Air Quality permit fees to partially offset General Fund support of a Senior Environmental Specialist (60035965) in the federally mandated Small Business Assistance Program, which helps small businesses comply with the requirements of the Clean Air Act.

-0.30

-0.30

Marine Fisheries**23 Temporary Wages**

(\$183,183) R (\$183,183) R

Reduces temporary wages in the License Administration and Trip Ticket programs, the Purchasing/Warehouse Unit and the Marine Patrol Section. Total funding remaining for temporary wages is \$103,503.

24 Shellfish Rehabilitation Program

(\$81,605) R (\$81,605) R

Reduces funding for the Shellfish Rehabilitation Program by cutting temporary wages (\$27,474). Also eliminates one Marine Biologist position (60032767), which supports the Oyster Shell Recycling program, and associated operating costs.

-1.00

-1.00

25 Fisheries Resource Grant Program

(\$100,000) R (\$100,000) R

Eliminates the remaining appropriation for the Fishery Resource Grant Program which promotes cooperative research among commercial fishers, recreational anglers, seafood businesses and university researchers.

26 Marine Patrol

Budgets anticipated federal receipts due to the creation of a Joint Enforcement Agreement that would allow the Division of Marine Fisheries to receive federal funds for enforcing federal fisheries laws in federal waters and law enforcement officers to be cross-sworn as National Marine Fisheries Agents. North Carolina is the only coastal state without a Joint Enforcement Agreement.

(\$150,000) NR (\$200,000) NR

27 At-Sea Observer Program

Provides nonrecurring funding for six new positions to support a statewide at-sea observer program for all fisheries, with an emphasis on the commercial estuarine gill net fishery. These positions, combined with nine existing positions, are necessary to meet federal requirements to monitor multiple fisheries. Support for the Observer Program in FY 2014-15 will come from an increase in commercial fish licenses and permits.

\$1,100,000 NR
15.00

Parks and Recreation

28 Adopt-a-Trails

Eliminates funding for the Adopt-a-Trails Program. Grant funding for trail projects is still available through the NC Parks and Recreation Trust Fund.

(\$108,000) R (\$108,000) R

29 Parks Operations

Restores funding to the Division's operating budget which was reduced on a nonrecurring basis in the 2011-13 biennium.

\$6,000,000 R \$6,000,000 R

Waste Management

30 Texfi Site Contamination

Provides nonrecurring funds to be used for the cleanup and monitoring of groundwater and other contamination located at the Texfi site in Fayetteville as well as any emergency cleanup activities at that site.

\$50,000 NR

31 Inactive Hazardous Waste Sites

Provides funding for the Inactive Hazardous Sites Program to hire one engineer and one hydrogeologist to evaluate areas with known contamination that have limited data on water supply wells. The staff will sample water supply wells as well as investigate and abate contamination sources.

\$250,000 R \$250,000 R
2.00 2.00

32 Noncommercial Fund

Provides a nonrecurring appropriation for the Noncommercial Leaking Underground Storage Tank Fund to assist homeowners with the cleanup costs of petroleum releases from home heating oil tanks and smaller farm tanks.

\$3,500,000 NR

Water Quality

33 Groundwater Unit

Eliminates funding for the Groundwater Investigation Unit's well-drilling services.

(\$251,236) R (\$251,236) R
-4.00 -4.00

34 Clean Water State Revolving Fund

\$4,925,000 R \$5,000,000 R

Provides funding for the required State match to draw down the maximum amount of federal funds available for the Clean Water State Revolving Fund. This program provides low-interest loans to local governments to construct wastewater facilities and provides \$5 in federal capitalization grant funds for every \$1 the state provides in matching funds.

Water Resources

35 Drinking Water State Revolving Fund

\$1,234,545 R \$4,978,825 R

Provides funding to meet State match requirements of \$4.71 million to allow the Department to draw down the maximum amount of federal funds available (\$23.54 million) for the Drinking Water State Revolving Fund for FY 2013-14. State match will be provided by combining a nonrecurring General Fund appropriation of \$1,234,545 with \$3.8 million in State funds from the Drinking Water Reserve.

36 Receipt Support

(\$484,521) R (\$484,521) R

Budgets additional federal receipts and shifts 4.3 positions from General Fund appropriation to receipt support. Also abolishes one vacant Office Assistant IV (60034526), and reduces \$75,000 in contract funds for well-drilling services.

-5.30 -5.30

- 60034385 Engineering Manager (1.00 FTE)
- 60034388 Engineer (0.80 FTE)
- 60034394 Engineering Supervisor (1.00 FTE)
- 60034398 Engineering Supervisor (1.00 FTE)
- 60034397 Geologist (0.50 FTE)

37 Shallow Draft Dredging

\$3,638,469 R

Provides funding to support dredging projects designed to keep shallow draft navigation channels located in State waters navigable and safe.

Zoo

38 Operating Reductions

(\$211,323) R (\$211,323) R

Reduces operating support for temporary wages, worker's compensation and equipment.

39 Zoo Tram

Provides funding to support repair and replacement of zoo trams. \$250,000 NR

Total Legislative Changes

\$15,504,473 R \$28,062,222 R
\$4,810,000 NR (\$190,000) NR

Total Position Changes

32.07 17.07

Revised Budget

\$129,455,064 \$137,092,904

Wildlife Resources Commission

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Budget	\$18,476,588		\$18,476,588	
Legislative Changes				
Commission-wide				
40 Wildlife Resources Commission Operations	(\$2,000,000)	R	(\$2,000,000)	R
Reduces General Fund support by \$4 million in FY 2013-14 and \$2 million in FY 2014-15. Allows the Wildlife Resources Commission to use other funds available to the Commission to offset the reduction at its discretion.	(\$2,000,000)	NR		
Total Legislative Changes	(\$2,000,000)	R	(\$2,000,000)	R
	(\$2,000,000)	NR		
Total Position Changes				
Revised Budget	\$14,476,588		\$16,476,588	

Commerce

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Budget	\$33,469,442		\$33,469,442	
Legislative Changes				
Department-wide				
41 Management Flexibility Reserve	(\$567,469)	R	(\$567,469)	R
Reduces funding to the Department by 2.0% and provides the Secretary with the flexibility to take the reduction to programs and activities that cause the least disruption in service.				
42 Indirect Cost Receipts	(\$205,786)	R	(\$205,786)	R
Offsets the General Fund appropriation by maximizing the use of indirect cost receipts.				
Administration				
43 Special Funds				
Offsets the General Fund appropriation for Administration by directing the unencumbered cash balance as of June 30, 2013 from the following funds toward operating costs:				
NC Green Business Fund (24609-2535)				
Energy Research Grants Special Fund (24609-2537)				
International Trade Show Special Fund (24610-2431).				
Closes the International Trade Show Special Fund after transfer.				
44 Director of Internal Operations	(\$131,001)	R	(\$131,001)	R
Eliminates the Director of Internal Operations (60077182) position.				
	-1.00		-1.00	
45 Accountant I	(\$61,866)	R	(\$61,866)	R
Eliminates an Account I position (60089502). This position is no longer required to monitor nonprofits.				
	-1.00		-1.00	
46 Processing Assistant	(\$47,581)	R	(\$47,581)	R
Eliminates a Processing Assistant position (60080973).				
	-1.00		-1.00	
47 Base Realignment and Closure (BRAC)				
Provides nonrecurring funding for the State's preparation for Department of Defense BRAC activities.				
	\$1,000,000	NR		
48 Office of Information Technology Services (OITS) Charges	\$75,000	R	\$75,000	R
Restores funding to pay for ITS provided services.				

Business and Industry**49 Economic Developer**

Eliminates an Economic Developer position (60080949).

(\$83,651) R

(\$83,651) R

-1.00

-1.00

Commerce Finance Center**50 Job Maintenance and Capital Development Fund (JMAC)**

Provides funds to fulfill JMAC agreements with Goodyear, Bridgestone, and Domtar.

\$6,705,473 NR

\$7,500,000 NR

51 Broadband Connectivity Incentive Grant Program

Provides funding to incent private sector broadband providers to extend connectivity to unserved areas that are otherwise not economically feasible for deployment.

\$350,000 NR

Community Assistance**52 Support Positions and Operating Budget**

Reduces one Office Assistant IV position (60081170).

(\$43,481) R

(\$43,481) R

-1.00

-1.00

Energy**53 Energy**

Transfers the Energy Office from the Department of Commerce to the Department of Environment and Natural Resources as a Type I transfer.

(\$1,762,714) R

(\$1,762,714) R

-6.17

-6.17

Industrial Commission**54 Management Flexibility Reserve**

Reduces funding to the Commission by 1.7% and provides the Commissioner with the flexibility to take the reduction in programs and activities that cause the least disruption in service.

(\$81,539) R

(\$81,539) R

55 Commissioner

Eliminates a Commissioner position (60080616). Section 16 of S.L. 2011- 287 reduced the number of Commissioners from seven to six, but did not eliminate the associated funding.

(\$150,029) R

(\$150,029) R

-1.00

-1.00

56 Insurance Compliance Program

Provides funds to the Industrial Commission to establish a compliance program that will apply data analytics received from North Carolina's Government Business Intelligence Competency Center. This data and its application will enable the Industrial Commission to proactively identify noncompliant businesses and ensure these businesses obtain and maintain the required workers' compensation coverage.

\$901,502 R

\$901,502 R

13.00

13.00

57 Investigation Management System

Provides the Industrial Commission's newly established compliance program with the technology necessary to process, prioritize and track investigations and results based on data provided by North Carolina's Government Business Intelligence Competency Center.

\$75,000 R

\$75,000 R

\$50,000 NR

International Trade**58 High Point Office**

(\$58,430) R (\$58,430) R

Eliminates the High Point office and an Office Assistant position (60081007). The remaining Economic Developer position will co-locate with the High Point Market Authority.

-1.00 -1.00

59 Trade Shows

(\$48,347) R (\$48,347) R

Reduces the trade show advertising budget to align with prior year expenditures. Total budget remaining is \$92,705.

Labor and Economic Analysis Division**60 Common Follow-Up System**

\$500,000 NR

Provides funding for the Common Follow-Up System managed by the Labor and Economic Analysis Division (LEAD), which is used to track performance measures related to current and former participants in State job training, education and placement programs. Recurring funding will be contingent upon the findings of a legislative continuation review.

Marketing**61 Comprehensive Branding Strategy**

\$800,000 R \$1,500,000 R

Provides funding for the Department of Commerce to develop a comprehensive branding strategy to promote North Carolina.

62 Trade and Investment Event

\$150,000 NR

Provides funds for the 2014 Southeastern U.S. Canadian Strategic Trade and Investment Partnership Event. In an agreement signed in 2006, North Carolina agreed to host the event, which will identify opportunities to increase trade and investment between six southeastern U.S. States and seven Canadian provinces. The total cost is estimated at \$400,000. It is expected that the remaining \$250,000 will be raised from private sponsors.

NC Broadband**63 State Match**

(\$172,203) R (\$172,203) R

Eliminates the State match for the federal grant provided by the U.S. Department of Commerce National Telecommunications and Information Administration for State Broadband Data and Development Grant, currently titled NC Broadband-Rigor in Mapping. The required State match has been satisfied and the project will be complete by October 2014.

Travel, Tourism, & Sports Development**64 Tourism Advertising**

\$1,000,000 R

Provides additional funding for tourism advertising.

Wanchese Seafood Industrial Park**65 Receipt Support**

Eliminates funding for the Wanchese Seafood Industrial Park, including the Director position (60080846). The Park must be fully receipt supported beginning in FY 2014-15.

(\$140,081) R

-1.00

Workforce Solutions**66 Workforce Investment Act Funds**

Transfers \$350,000 recurring in federal Workforce Investment Act funds from the Department of Commerce to the Department of Labor to be used for the Apprenticeship Program.

Total Legislative Changes	(\$1,562,595)	R	(\$2,676)	R
	\$8,072,946	NR	\$7,850,000	NR
Total Position Changes	-0.17		-1.17	
Revised Budget	\$39,979,793		\$41,316,766	

Commerce - State Aid

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Budget	\$59,714,814		\$61,954,814	
Legislative Changes				
(1) State-Aid				
67 Biofuels Center	(\$2,063,035)	R	(\$4,303,035)	R
Eliminates General Fund support for operational expenditures.				
68 Community Development Initiative	(\$3,806,180)	R	(\$3,806,180)	R
Eliminates General Fund support for operational expenditures.				
69 Council of Governments (COGs)	(\$328,105)	R	(\$328,105)	R
Eliminates General Fund support for operational expenditures.				
70 Grassroots Science Museums	(\$425,261)	R	(\$425,261)	R
Reduces General Fund support for operational expenditures by 15%.				
71 Institute of Minority Economic Development	(\$2,046,080)	R	(\$2,046,080)	R
Eliminates General Fund support for operational expenditures.				
72 Johnson and Wales University	\$1,635,000	NR		
Provides nonrecurring funding to fulfill funding commitment to Johnson and Wales University.				
73 Land Loss Prevention Project	(\$575,050)	R	(\$575,050)	R
Eliminates General Fund support for operational expenditures.				
74 NC Agriculture Foundation (FFA Foundation)	(\$35,855)	R	(\$35,855)	R
Eliminates General Fund support for operational expenditures from Commerce State-Aid. Provides additional recurring funds through the Department of Agriculture and Consumer Services.				
75 NC Association of Community Development Corporations (CDCs)	(\$797,102)	R	(\$797,102)	R
Eliminates General Fund support for operational expenditures.				
76 NC Indian Economic Development Initiative	(\$86,004)	R	(\$86,004)	R
Eliminates General Fund support for operational expenditures.				

FY 13-14**FY 14-15****77 Partnership for the Sounds**

(\$391,408) R

(\$391,408) R

Eliminates General Fund support for operational expenditures.

78 Regional Economic Development Commissions

(\$231,079) R

(\$2,151,517) R

Reduces General Fund support of operational expenditures in FY 2013-14. Eliminates General Fund support of operational expenditures in FY 2014-15. Of the funds appropriated in this act to the Department of Commerce for the Charlotte Regional Partnership, Inc. for FY 2013-14, the sum of \$32,000 in nonrecurring funds shall instead be appropriated to Anson County for FY 2013-14. Anson County shall maintain the appropriated funds in an account separate from all other county funds, and the funds shall be used only for economic development projects. Of the funds appropriated in this act to the Department of Commerce for the Piedmont Triad partnership for FY 2013-14, the sum of \$26,000 in nonrecurring funds shall instead be appropriated to Montgomery County for FY 2013-14.

79 Research Triangle Institute

Provides funds for the Research Triangle Institute to leverage federal research funds.

\$250,000 NR

\$250,000 NR

80 The Support Center

Eliminates recurring General Fund support for the Support Center and provides nonrecurring funding to offset the reduction.

(\$2,543,021) R

(\$2,543,021) R

\$2,543,021 NR

\$2,543,021 NR

81 Wake Forest Institute of Regenerative Medicine

Eliminates General Fund support for operational expenditures.

(\$7,649,897) R

(\$7,649,897) R

82 Restore Negative Management Flexibility Reserve

Provides funding to fill a budget gap created by making a FY 2012-13 nonrecurring reduction permanent in the FY 2013-14 continuation budget.

\$28,000 R

\$28,000 R

(2) Biotechnology Center**83 Biotechnology Center**

Reduces recurring General Fund support for the Center by 50% and provides nonrecurring funding to offset the reduction.

(\$8,600,338) R

(\$8,600,338) R

\$8,600,338 NR

\$8,600,338 NR

(3) Rural Economic Development Center**84 Rural Economic Development Center**

Maintains General Fund support of operational expenditures in FY 2013-14 at \$16.6 million. Provides additional recurring funding in FY 2014-15 amounting to a total appropriation of \$20 million.

\$3,380,806 R

Total Legislative Changes	(\$29,550,415)	R	(\$30,330,047)	R
	\$13,028,359	NR	\$11,393,359	NR
Total Position Changes				
Revised Budget	\$43,192,758		\$43,018,126	

Drinking Water Reserve

Budget Code: 64324

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$13,298,248	\$9,498,248
Recommended Budget		
Requirements	\$472,051	\$472,051
Receipts	\$472,051	\$472,051
Positions	0.00	0.00

Legislative Changes

Requirements:

Drinking Water Reserve	\$0 R	\$0 R
Provides a portion of the State match required to draw down the maximum amount of federal funds available (\$23.54 million) for the Drinking Water State Revolving Fund for FY 2013-14.	\$3,800,000 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$3,800,000 NR	\$0 NR
	0.00	0.00

Receipts:

Drinking Water Reserve	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

House Subcommittee on Natural and Economic Resources

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$4,272,051	\$472,051
Revised Total Receipts	\$472,051	\$472,051
Change in Fund Balance	(\$3,800,000)	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$9,498,248	\$9,498,248

Commerce - Special Revenue - GF

Budget Code: 24609

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$18,348,044	\$17,797,898
Recommended Budget		
Requirements	\$28,711,556	\$28,711,556
Receipts	\$28,476,737	\$28,476,737
Positions	6.00	6.00

Legislative Changes

Requirements:

NC Green Business Fund	\$0 R	\$0 R
Transfers a portion of the cash balance to Commerce's Administration Division to offset operating expenses.	\$36,827 NR	\$0 NR
	0.00	0.00
Energy Research Grants	\$0 R	\$0 R
Transfers a portion of the cash balance to Commerce's Administration Division to offset operating expenses.	\$278,500 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$315,327 NR	\$0 NR
	0.00	0.00

Receipts:

NC Green Business Fund	\$0 R	\$0 R
	\$0 NR	\$0 NR
Energy Research Grants	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

House Subcommittee on Natural and Economic Resources

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$29,026,883	\$28,711,556
Revised Total Receipts	\$28,476,737	\$28,476,737
Change in Fund Balance	(\$550,146)	(\$234,819)
Total Positions	6.00	6.00
Unappropriated Balance Remaining	\$17,797,898	\$17,563,079

Commerce- Special, Unbudgeted

Budget Code: 24610

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$698,929	\$681,729
Recommended Budget		
Requirements	\$66,100	\$66,100
Receipts	\$66,100	\$66,100
Positions	0.00	0.00

Legislative Changes

Requirements:

International Trade Show	\$0 R	\$0 R
Transfers the cash balance to Commerce's Administration Division to offset operating expenses.	\$17,200 NR	\$0 NR
Closes fund 24610 - 2431.	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$17,200 NR	\$0 NR
	0.00	0.00

Receipts:

International Trade Show	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

House Subcommittee on Natural and Economic Resources

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$83,300	\$66,100
Revised Total Receipts	\$66,100	\$66,100
Change in Fund Balance	(\$17,200)	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$681,729	\$681,729

JUSTICE
&
PUBLIC SAFETY
Section I

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Public Safety

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Budget	\$1,722,061,784		\$1,732,859,184	

Legislative Changes

A. Department-wide

1 Consolidation Efficiencies

(\$5,000,000)	R	(\$5,000,000)	R
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Allows the Department to identify additional savings resulting from the consolidation of the Departments of Crime Control and Public Safety, Juvenile Justice, and Adult Correction that occurred January 1, 2012.

2 Vacant Positions

(\$952,582)	R	(\$952,582)	R
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Eliminates 15 vacant positions. No district level State Highway Patrol (SHP) Troopers, custody and security officers or probation and parole positions in the Division of Adult Correction, or court counselors in the Division of Juvenile Justice may be eliminated as a result of this reduction.

-15.00		-15.00	
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B. Administration

3 Secretary's Office Positions

(\$292,384)	R	(\$292,384)	R
-------------	---	-------------	---

Eliminates two vacant management positions in the Secretary's Office.

-2.00		-2.00	
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4 Operating Budget

(\$579,244)	R	(\$579,244)	R
-------------	---	-------------	---

Reduces various line items from the operating budget for the Division of Administration.

C. Law Enforcement

5 DPS Law Enforcement Health Benefits

(\$14,423,585)	NR	(\$14,423,585)	NR
----------------	----	----------------	----

Pays employer health premiums and contributions for sworn law enforcement officers from funds available in the Separate Insurance Benefits Plan.

6 ALE Position Reduction

(\$264,600)	R	(\$264,600)	R
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Eliminates three positions in Alcohol Law Enforcement (ALE) administration:

-3.00		-3.00	
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Position	Title	Total Position Cost
60084333	ALE Assistant Director	\$116,774
60084297	Asst. Special Agent in Charge	\$ 84,963
60084287	Accreditation Manager	\$ 62,863

7 ALE Operating Reduction

(\$191,458)	R	(\$191,458)	R
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Reduces the operating budget for ALE.

8 Butner Public Safety

Eliminates the State grant to the Butner Public Safety Authority. The Authority can receive State funds through the State Fire Protection Grant Fund. \$100,000 is appropriated in the General Government Section of the budget to expand the program to Butner without reducing allotments to other fire departments.

(\$1,751,118) R (\$1,751,118) R

9 SCP Positions

Provides funding for four telecommunicator positions and four public safety officer positions in the State Capitol Police.

\$336,122 R \$336,122 R
 \$45,751 NR
 8.00 8.00

10 SHP Vacant Trooper Positions

Budgets all vacant trooper positions (including vacant Senior Trooper and vacant Master Trooper positions) at the starting pay for troopers (\$35,700 plus benefits). Currently, 69 vacant trooper positions cannot be filled because they are budgeted at \$0.10 as a result of reductions taken in FY 2011-12. This appropriation restores that reduction, increasing the total number of troopers statewide.

\$2,505,713 R \$2,505,713 R

11 SHP Fuel

Provides funding to increase the budget for State Highway Patrol fuel to actual expenditure levels.

\$3,677,292 R \$3,677,292 R

12 SHP Aircards

Provides funds to support air card connectivity for mobile data computers in trooper vehicles. The air card allows troopers to have mobile access to multiple criminal, court, and DMV databases.

\$626,000 R \$626,000 R

13 SHP Mobile Computers

Provides funds to replace outdated or failing mobile data computer equipment, including computers, printers, and docking stations, for State Highway Patrol troopers' vehicles.

\$1,050,640 NR

14 SHP Communication Center Consolidation

Consolidates communication centers from three troops. Transfers eighteen telecommunicator positions to other troops and provides funding in the first year for equipment required to expand communication operations in two of the remaining troops. Consolidation of communication centers should be completed no later than October 1, 2013.

(\$1,141,480) R (\$1,662,707) R
 -30.00 -30.00

15 SHP Aviation

Consolidates the Highway Patrol Aviation section from four hangars to two.

(\$901,900) R (\$901,900) R
 -9.00 -9.00

16 SHP Consolidation of Technology Services Functions

Eliminates six civilian information technology related positions in the Highway Patrol. Consolidation of all law enforcement information technology functions in the Department of Public Safety should result in additional reductions in the future.

(\$506,517) R (\$506,517) R
 -6.00 -6.00

17 SHP Administration

(\$700,000) R (\$700,000) R

Eliminates various positions in State Highway Patrol administration. Positions that are eliminated should all be administrative and/or management positions. No district level positions should be eliminated as a result of this reduction.

18 SHP Accreditation Unit

(\$402,978) R (\$402,978) R

Eliminates three sworn law enforcement and two civilian positions responsible for overseeing the State Highway Patrol's accreditation process.

-5.00

-5.00

Position	Title	Total Position Cost
60084955	Quality Accreditation Unit Mgr.	\$104,417
60086601	Policy & Procedure Manager	\$ 87,923
60085343	Accreditation Manager	\$ 87,923
60086920	Civilian Accreditation Mgr.	\$ 74,689
60084612	Tech Support Technician	\$ 48,026

19 SHP Support Positions

(\$772,853) R (\$772,853) R

Eliminates nine vacant civilian positions that provide support services to various units within the Highway Patrol.

-9.00

-9.00

20 SHP Traffic Safety Information Officers

(\$527,288) R (\$527,288) R

Eliminates the Traffic Safety Information Officer position in each Highway Patrol Troop.

-8.00

-8.00

21 VIPER Operations and Maintenance

\$2,825,471 R \$2,825,471 R

Provides additional funding for the operation and maintenance of the Voice Interoperability Plan for Emergency Responders (VIPER) system.

13.00

\$580,000 NR
13.00

22 SHP VIPER Technology Upgrade

Provides \$25 million nonrecurring in FY 2013-14 to upgrade the VIPER system to P-25 technology.

\$25,000,000 NR

23 SHP VIPER Tower Construction

Provides \$7 million recurring in FY 2014-15 to complete construction of 29 State-funded towers for the VIPER system. Tower construction should be complete in FY 2016-17, at which time this appropriation will be reduced to \$2 million recurring to fully fund operation and maintenance of the completed VIPER system.

\$7,000,000 R

D. National Guard

24 Armories Upgrade

\$850,000 R \$850,000 R

Provides funds to address maintenance needs at the State's 93 National Guard Readiness Centers. Additional funds are appropriated in the Capital Section for repair and renovation of the armories.

FY 13-14

FY 14-15

25 Tarheel Challenge

\$767,719 R

\$767,719 R

Transfers funding from the Department of Public Instruction (DPI) for Tarheel Challenge, a National Guard program for at-risk youth, back to the Department of Public Safety (DPS) budget. These funds were transferred to DPI in 2009, but federal matching funds are currently receipted to DPS. This transfer consolidates all of the funding for Tarheel Challenge in one place. A corresponding reduction can be found in the Education Section of the budget.

26 Tarheel Challenge - Stanly County Campus

\$3,092,000 NR

Provides funds for the renovation of the New London school facility in Stanly County to expand the Tarheel Challenge Academy.

E. Adult Correction - General**27 Budget Reserve Restoration**

Eliminates the partial restoration of a nonrecurring budget reserve reduction from FY 2011-12 that reflected a lower prison population.

(\$7,959,355) NR

F. Adult Correction - Prisons**28 Education Supplies**

(\$36,000) R

(\$36,000) R

Reduces funding for prison substance abuse supplies to reflect actual expenditures, leaving \$100,557.

29 Inmate Health Care

(\$9,000,000) R

(\$9,000,000) R

Reduces Inmate Health Care funding to account for savings from completion of the new hospitals at Central Prison and NC Correctional Institution for Women, increased Medicaid reimbursements for treatment of qualified inmates, and the payment cap on billed charges to hospital and other providers.

30 Morrison CI Electronic Intrusion

(\$24,202) R

(\$404,911) R

Eliminates tower positions effective April 1, 2014 at Morrison Correctional Institution through the use of an electronic intrusion system that provides increased security.

-12.00

-12.00

31 Duplin Correctional Center

(\$3,759,729) R

(\$4,101,522) R

Closes Duplin Correctional Center, a 328-bed minimum custody facility, effective August 1, 2013. The closure is part of a reduction in prison capacity to reflect the declining prison population.

-80.00

-80.00

32 Robeson Correctional Center

(\$3,625,960) R

(\$3,955,592) R

Closes Robeson Correctional Center, a 276-bed minimum custody facility, effective August 1, 2013. The closure is part of a reduction in prison capacity to reflect the declining prison population.

-80.00

-80.00

33 Wayne Correctional Center

(\$3,014,444) R

(\$7,234,666) R

Closes Wayne Correctional Center, a 428-bed medium custody facility, effective February 1, 2014. The closure is part of a reduction in prison capacity to reflect the declining prison population.

-150.00

-150.00

FY 13-14**FY 14-15****34 Western Youth Institution**

Closes Western Youth Institution, a 708-bed mixed custody facility, effective January 1, 2014. The closure is part of a reduction in prison capacity to reflect the declining prison population.

(\$7,953,209)	R	(\$16,312,132)	R
-323.00		-323.00	

35 North Piedmont Correctional Center for Women

Closes North Piedmont Correctional Center for Women, a 136-bed minimum custody facility, effective October 1, 2013. The closure is part of a reduction in prison capacity to reflect the declining prison population.

(\$1,531,228)	R	(\$2,041,638)	R
-44.00		-44.00	

36 Johnston Correctional Institution

Converts Johnston Correctional Institution from a medium custody to a minimum custody prison, effective October 1, 2013.

(\$1,950,000)	R	(\$2,600,000)	R
-50.00		-50.00	

37 Statewide Misdemeanant Confinement Fund Admin

Reallocates the Statewide Misdemeanant Confinement Fund administration allotment to reduce the NC Sheriffs' Association percentage from 10% to 5%. The Department of Public Safety will continue to receive 1% for administration. Transfers funds from the Statewide Misdemeanant Confinement Fund (Special Fund code 24500-2225) to the Department of Public Safety (General Fund budget code 14550) on a nonrecurring basis.

(\$750,000)	NR	(\$750,000)	NR
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Since the program's inception in August 2011, \$39.5 million has been collected in the Fund. The Sheriff's Association has received \$3.9 million and the Division of Adult Correction has received \$394,881 to administer the program.

38 Statewide Misdemeanant Confinement Fund

Transfers funds from the Statewide Misdemeanant Confinement Fund (Special Fund code 24500-2225) to the Department of Public Safety (General Fund budget code 14550) for the Division of Adult Correction. As of March 31, 2013, this fund has a balance of \$20 million.

(\$7,700,000)	NR		
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39 Tabor Correctional Institution Operating Reserve

Reduces the operating reserve for the new minimum-custody dorm at Tabor Correctional Institution to reflect a delay in completion of construction.

(\$529,424)	NR		
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G. Adult Correction - Community Corrections**40 TECS Reduction**

Reduces the appropriation for Treatment for Effective Community Supervision (TECS) to adjust for delayed community programming start dates in some counties. The total funding for this program is \$12.4 million after this non-recurring reduction.

(\$1,500,000)	NR		
---------------	----	--	--

41 Substance Abuse Treatment for High-Risk Offenders

Additional funds are provided to the Broaden Access to Community Treatment program. These funds shall be restricted to substance abuse treatment services for offenders assessed as moderate to high-risk for recidivism and high need for substance abuse services.

\$4,750,000	NR	\$5,250,000	NR
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FY 13-14

FY 14-15

42 Parole Commission

Increases funding for the Parole Commission in order to adequately manage the expected caseload of 12,500 to 15,000 offender records that will require review following implementation of the Justice Reinvestment Act. Total funding for this program will be \$2.3 million.

\$374,497	R	\$374,497	R
\$49,893	NR		
8.00		8.00	

43 Probation and Parole Positions

Funds 175 new Probation Officer positions to adequately manage the increased caseloads created by the requirements of the Justice Reinvestment Act. In addition, provides funding for the reallocation of surveillance officers to probation officer positions.

\$5,761,119	R	\$12,120,219	R
\$465,150	NR	\$660,200	NR
75.00		175.00	

44 Electronic Monitoring Equipment

Provides funds for the lease of electronic monitoring equipment for offenders who require it as a condition of their probation or status as a sex offender.

\$3,662,191	R	\$3,662,191	R
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45 Pilot Program for Reducing Recidivism

Appropriates funds for contractual services in Robeson and Lenoir counties that will provide persons on probation and under post-release supervision with evidence based educational, vocational, and rehabilitative programs, transitional housing, job-placement services, substance abuse treatment and mental health services.

\$750,000	NR	\$750,000	NR
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H. Juvenile Justice

46 Executive Management Staff

Eliminates three full-time executive positions in the Division of Juvenile Justice. These positions are currently filled.

(\$363,183)	R	(\$363,183)	R
-3.00		-3.00	

Position	Title	Total Position Cost
60000972	Deputy Comm Courts and Programs	\$139,635
60001044	Deputy Comm Facilities	\$129,992
60000891	Director of Detention Services	\$ 93,556

47 YDC Operating Reduction

Reduces the total operating budget for Youth Development Centers.

(\$100,000)	R	(\$100,000)	R
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48 Lenoir Youth Development Center

Closes Lenoir Youth Development Center (YDC) and eliminates 71 full-time equivalent (FTE) positions. This facility shall be closed by October 1, 2013.

(\$2,776,040)	R	(\$3,701,387)	R
-71.00		-71.00	

49 Richmond Detention Center

Closes Richmond Detention Center and eliminates 7.4 full-time equivalent (FTE) positions.

(\$1,287,441)	R	(\$1,287,441)	R
-7.40		-7.40	

50 Buncombe Detention Center

Closes Buncombe Detention Center and eliminates 19.3 full-time equivalent (FTE) positions.

(\$1,250,786)	R	(\$1,250,786)	R
-19.30		-19.30	

House Subcommittee on Justice and Public Safety

FY 13-14

FY 14-15

51 Juvenile Justice Community Programs

\$1,000,000 R \$1,000,000 R

Provides funding to the Division of Juvenile Justice for the expansion of contracted services for adjudicated juveniles. A portion of the appropriated funds may be set aside for a facility to provide educational and vocational programs for girls that will be similar to the residential boys facility located in Craven County.

52 Safer Schools Initiative

\$311,572 R \$311,572 R

Provides funding for the Center for Safer Schools, which will provide training and technical support to educators, law enforcement agencies and parents statewide.

\$5,200 NR
4.00 4.00

Total Legislative Changes

(\$27,958,928) R (\$30,838,091) R

\$10,305,625 NR (\$15,892,740) NR

Total Position Changes

-818.70 -718.70

Revised Budget

\$1,704,408,481 \$1,686,128,353

Justice

GENERAL FUND

	FY 13-14		FY 14-15
Recommended Budget	\$77,773,575		\$80,773,575

Legislative Changes

A. Department-wide

53 SBI Law Enforcement Health Benefits

Pays employer health premiums and contributions for sworn law enforcement officers from funds available in the Separate Insurance Benefits Plan.	(\$2,087,026)	NR	(\$2,087,026)	NR
--	---------------	----	---------------	----

54 Operating Efficiencies Reduction

Directs the Department to identify efficiencies in its operation through the elimination of positions, transitioning of expenditures to receipt support, or reductions to operating line items such as travel, purchased services, and supplies. No reductions will be made to the NC State Crime Lab.	(\$1,700,000)	R	(\$1,700,000)	R
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55 Indirect Cost Receipts

Budgets indirect cost receipts from recurring federal grants that may be allocated to support central administrative functions that include finance, human resources and logistics. Transfers four positions to receipt support:	(\$259,310)	R	(\$259,310)	R
	-4.00		-4.00	

Position	Title	Total Position Cost
60010148	Business Officer	\$82,281
60010147	HR Recruiter	\$66,644
60010134	Admin. Secretary III	\$42,915
60010466	Admin. Assistant I	\$44,534

B. Legal Services

56 Tobacco Attorney and Paralegal Positions

Transitions one attorney position (60010420) and two paralegal positions (60010422 and 60010421) from receipt support to General Fund support. These positions were previously supported by receipts from Golden L.E.A.F. and the Tobacco Trust Fund. Another receipt supported attorney position that was vacant (60010423) is eliminated.	\$244,661	R	\$244,661	R
	3.00		3.00	

C. State Bureau of Investigation (SBI)

57 Prescription Drug Unit Expansion

Provides funds for three positions to expand the SBI's ability to combat prescription drug fraud.	\$191,458	R	\$191,458	R
	3.00		3.00	

D. NC State Crime Laboratory

58 Toxicology Positions

Provides funding for 19 new toxicology positions in the Crime Lab to serve the western part of the State. The Crime Lab is directed to work with the Office of State Personnel to create a new apprentice level analyst position at a pay grade lower than that of Forensic Analyst I for trainee analysts.

\$1,500,000	R	\$1,500,000	R
\$111,424	NR		
19.00		19.00	

E. Training and Standards

59 Sheriffs' Education and Training Standards

Appropriates funds to support the Sheriffs' Education and Training Standards Commission. Section 16C.6 transfers funds from the Statewide Misdemeanant Confinement Fund to the General Fund for this purpose. This Commission is currently supported by a portion of the \$2 court fee designated for law enforcement training. Those funds will now wholly support the Criminal Justice Education and Training Standards Commission. These changes increase the funds available to DOJ to support both Standards Commissions.

\$1,000,000	R	\$1,000,000	R
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60 Criminal Justice Education and Training

Section 18B.18 changes the allocation of the \$2 court fee designated for law enforcement training and standards by directing that all of the funds go to the Criminal Justice Education and Training Standards Commission (CJTS). Previously, those funds were split between the Sheriffs' Standards Commission and CJTS. The appropriation of funds to support Sheriffs' Standards in the previous item allows for the redirection of all of the \$2 court fee to CJTS, increasing the amount available to DOJ for the support of both Standards Commissions.

Total Legislative Changes

\$976,809	R	\$976,809	R
(\$1,975,602)	NR	(\$2,087,026)	NR

Total Position Changes

21.00		21.00	
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Revised Budget

\$76,774,782		\$79,663,358	
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Judicial - Indigent Defense

GENERAL FUND

	FY 13-14		FY 14-15													
Recommended Budget	\$114,505,898		\$114,505,898													
Legislative Changes																
61 Administrative Staff Operations Reduction	(\$258,634)	R	(\$258,634)	R												
Reduces administrative staff through efficiencies gained by increased partnership with the School of Government for training, greater utilization of existing staff in lieu of contracted consultants, and more efficient distribution of workload. One position is being reduced to half-time (Special Counsel Legal Assistant, 60091441). The following three positions are being eliminated:	-3.25		-3.25													
<table border="0"> <thead> <tr> <th>Position</th> <th>Title</th> <th>Total Position Cost</th> </tr> </thead> <tbody> <tr> <td>60002264</td> <td>IDS Admin Asst.</td> <td>\$44,473</td> </tr> <tr> <td>60096765</td> <td>IDS Research Staff</td> <td>\$28,000</td> </tr> <tr> <td>60002229</td> <td>Special Counsel</td> <td>\$52,739</td> </tr> </tbody> </table>	Position	Title	Total Position Cost	60002264	IDS Admin Asst.	\$44,473	60096765	IDS Research Staff	\$28,000	60002229	Special Counsel	\$52,739				
Position	Title	Total Position Cost														
60002264	IDS Admin Asst.	\$44,473														
60096765	IDS Research Staff	\$28,000														
60002229	Special Counsel	\$52,739														
62 Prisoner Legal Services	(\$231,200)	R	(\$231,200)	R												
Reduces funding for North Carolina Prisoner Legal Services to reflect the declining number of inmates incarcerated in the state's prison system.																
63 Low-Level Misdemeanor Reclassification	(\$2,000,000)	R	(\$2,000,000)	R												
Reclassifies low-level misdemeanors that rarely result in incarceration as Class 3 misdemeanors or infractions and modifies the sentencing structure for Class 3 misdemeanors so that the first three charges are fineable offenses. With no possibility of incarceration, these offenses do not require legal counsel.																
64 Additional Private Appointed Counsel Funds	\$4,144,159	NR														
Allocates nonrecurring funds to pay private counsel assigned to represent indigent defendants, reducing a budget shortfall that has accumulated over several years. This budget shortfall creates a hardship for small business legal firms whose payments are delayed when State funding is exhausted before the end of the fiscal year.																
Total Legislative Changes	(\$2,489,834)	R	(\$2,489,834)	R												
	\$4,144,159	NR														
Total Position Changes	-3.25		-3.25													
Revised Budget	\$116,160,223		\$112,016,064													

Judicial

GENERAL FUND

	FY 13-14		FY 14-15	
Recommended Budget	\$458,416,996		\$458,416,996	
Legislative Changes				
65 Additional Magistrate Funding	\$727,104	R	\$727,104	R
Restores 16 magistrate positions in counties that currently have three magistrates to provide staff to perform duties and minimize after-hours call-backs.	16.00		16.00	
66 Administrative Budget Reduction	(\$3,000,000)	R	(\$3,000,000)	R
Reduces funding for the Administrative Office of the Courts. This reduction will not eliminate any county or district level court personnel.				
67 Funds for Interpreters, Witnesses, and Juries	\$1,009,256	R	\$1,009,256	R
Increases the budget for interpreters, expert witnesses, and jury fees as necessary to operate the State court system. Funds for interpreters would increase by \$342,821 over the current budget of \$1.0 million. Funds for expert witnesses would increase by \$203,458 over the current budget of \$422,498. Funds for jury fees would increase by \$462,977 over the current budget of \$3.2 million.				
68 Local Hospital Toxicology Analysis	\$500,000	NR		
Establishes a fund to be administered by the Conference of District Attorneys to allow district attorneys to use local hospitals for toxicology services in DWI cases.				
Total Legislative Changes	(\$1,263,640)	R	(\$1,263,640)	R
	\$500,000	NR		
Total Position Changes	16.00		16.00	
Revised Budget	\$457,653,356		\$457,153,356	

DPS Special Fund (Statewide Misdemeanant Confi

Budget Code: 24550

	FY 2013-14		FY 2014-15	
Beginning Unreserved Fund Balance	\$20,085,259		\$6,385,259	
Recommended Budget				
Requirements	\$0		\$0	
Receipts	\$0		\$0	
Positions	0.00		0.00	
<hr/>				
Legislative Changes				
Requirements:				
Statewide Misdemeanant Confinement Fund		R		R
Transfers \$7.7 million nonrecurring to the Department of Public Safety (General Fund budget code 14550) for the Division of Adult Correction.	\$7,700,000	NR	\$0	NR
	0.00		0.00	
Sheriffs' Education and Training Standards	\$1,000,000	R	\$1,000,000	R
Transfers \$1 million recurring to the General Fund to support the Sheriffs' Education and Training Standards Commission.	\$0	NR	\$0	NR
	0.00		0.00	
Continuation Budget Correction	\$0	R	\$0	R
Corrects a \$5 million nonrecurring transfer to the Division of Adult Correction for the Treatment of Effective Community Supervision that was inadvertently omitted from the Governor's Continuation Budget.	\$5,000,000	NR	\$0	NR
	0.00		0.00	
Subtotal Legislative Changes	\$1,000,000	R	\$1,000,000	R
	\$12,700,000	NR	\$0	NR
	0.00		0.00	

Receipts:

Statewide Misdemeanant Confinement Fund	\$0	R	\$0	R
	\$0	NR	\$0	NR

House Subcommittee on Justice and Public Safety

	FY 2013-14	FY 2014-15
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$13,700,000	\$1,000,000
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$13,700,000)	(\$1,000,000)
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$6,385,259	\$5,385,259

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**GENERAL
GOVERNMENT
Section J**

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(1.0) Cultural Resources

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$63,626,477	\$63,629,480
Legislative Changes			
1110 - Administration			
1 Strategic Marketing Program			
Provides funding to create a department-wide marketing strategy. The Department shall coordinate these efforts with the Department of Commerce.	\$53,000	NR	
1210 - Archives and Records			
2 Director of Division of Historical Resources			
Eliminates one vacant supervisor position (60083302). The salary is \$93,523 and benefits are \$25,657.	(\$119,190)	R	(\$119,190) R
	-1.00		-1.00
1241 - Historic Sites			
3 Savings at Historic Sites			
Achieves savings at historic sites by implementing a policy of standard operating days, reducing contracts, and securing revenue enhancements. There will be a reduction of one position: Building and Environmental Technician (600083487).	(\$152,190)	R	(\$152,190) R
	-1.00		-1.00
4 Historic Sites			
Reduces State appropriations for operations and eliminates one position in FY 2013-14 for the following sites: Aycock Birthplace, Polk Memorial, Vance Birthplace, and House in the Horseshoe and the Museum at Old Fort.	(\$50,000)	R	(\$50,000) R
	-1.00		
1242 - Tryon Palace			
5 Tryon Palace			
Provides non-recurring funds for operations of Tryon Palace. There will be over \$2.5 million in State appropriations for Tryon Palace in FY 2013-14.	\$500,000	NR	\$100,000 NR
1330 - NC Arts Council			
6 Administration			
Reduces State appropriations available for administration of the Arts Council activities. The remaining funding will be \$1,075,049 to administer grants.	(\$500,000)	R	(\$500,000) R
7 NC Arts Council and Other Grants			
Reduces funds for the Grassroots grants program, the grant to the Lost Colony, and the Basic grant program.	(\$228,495)	R	(\$228,495) R

Total Legislative Changes	(\$1,049,875)	R	(\$1,049,875)	R
	\$553,000	NR	\$100,000	NR
Total Position Changes	-3.00		-3.00	
Revised Budget	\$63,129,602		\$62,679,605	

(2.0) Cultural Resources - Roanoke Island Commission

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$1,058,757	\$1,058,757
<hr/>			
Legislative Changes			
1584 - Roanoke Island Commission			
8 Roanoke Island Commission		(\$608,757) R	(\$608,757) R
Reduces funds available for Roanoke Island Commission.			
<hr/>			
Total Legislative Changes		(\$608,757) R	(\$608,757) R
 Total Position Changes			
Revised Budget		\$450,000	\$450,000

(3.0) Insurance

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$38,454,593	\$38,464,213
<hr/>			
Legislative Changes			
1100 - Agency Wide			
9 Position Eliminations		(\$560,589) R	(\$560,589) R
Eliminates positions across the Department of Insurance.			
1500 - Fire Marshal			
10 Fire Protection Grants		\$100,000 R	\$100,000 R
Provides additional funds for the State Fire Protection Grant Fund. These funds will be used to provide fire protection for the State-owned facilities located in Butner.			
<hr/>			
Total Legislative Changes		(\$460,589) R	(\$460,589) R
Total Position Changes			
Revised Budget		\$37,994,004	\$38,003,624
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(4.0) Insurance - Volunteer Safety Workers' Compensation Fund

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$2,623,654	\$2,623,654
<hr/>			
Legislative Changes			
Volunteer Safety Workers' Compensation Fund			
11 Fund		(\$2,623,654) R	(\$2,623,654) R
Eliminates recurring State appropriations. This funds for the Volunteer Safety Workers' Compensation Fund will come from G.S. 105-228.5(d)(3). Up to 20% of the tax shall be deposited into this Fund to continue financial support.			
<hr/>			
Total Legislative Changes		(\$2,623,654) R	(\$2,623,654) R
 Total Position Changes			
Revised Budget		\$0	\$0

(5.0) State Board of Elections

	GENERAL FUND	
	FY 13-14	FY 14-15
Recommended Budget	\$5,213,445	\$5,213,445
Legislative Changes		
1100 - Administration		
12 Operating Budget	(\$20,313) R	(\$20,313) R
Reduces the operating budget across all divisions.		
13 Voter Photo Identification Requirement		
Appropriates funds for the implementation of a voter identification program. These funds will be used for new staff for the State Board of Elections and for other activities related to implementation of the new requirement.	\$1,505,900 NR 10.00	\$828,400 NR 10.00
Across Divisions		
14 Savings		
Reduces State appropriations across divisions for State Board of Elections for FY 2013-14 and budgets receipts from NC Public Campaign Finance Fund.	(\$3,500,000) NR	
Campaign Finance and Auditing		
15 Positions	\$109,241 R	\$109,241 R
Provides funding for 1.5 FTEs that had previously been funded by the NC Public Campaign Finance Fund. The positions include one General Accounts Auditor I position and .52 FTE Deputy Director of Campaign Finance.	1.52	1.52
State Board of Elections		
16 Help America Vote Act (HAVA) Funds		\$213,366 R
Provides matching funds for federal HAVA funds to support the Statewide Election and Information Management System (SEIMS) and two time-limited positions in FY 2014-15. These additional funds will allow the State to access \$4,071,740 of HAVA federal funds for information technology efforts.		\$177,505 NR 2.00
Total Legislative Changes	\$88,928 R (\$1,994,100) NR	\$302,294 R \$1,005,905 NR
Total Position Changes	11.52	13.52
Revised Budget	\$3,308,273	\$6,521,644

NC Public Campaign Finance Fund

Budget Code: 68025

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$8,491,702	\$4,991,702
Recommended Budget		
Requirements	\$0	\$0
Receipts	\$0	\$0
Positions	0.00	0.00

Legislative Changes

Requirements:

NC Public Campaign Finance Fund	\$0 R	\$0 R
Reduces fund balance for the NC Public Campaign Finance Fund to fund operations of State Board of Elections budget items for FY 2013-14.	\$3,500,000 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$3,500,000 NR	\$0 NR
	0.00	0.00

Receipts:

NC Public Campaign Finance Fund	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

House Subcommittee on General Government

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$3,500,000	\$0
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$3,500,000)	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$4,991,702	\$4,991,702

(6.0) General Assembly

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$52,845,390	\$52,845,390
Legislative Changes			
1100 - Administration			
17 Furniture - Across Divisions			
Reduces the funds available for purchase of furniture for FY 2014-15.			(\$35,000) NR
18 Management Flexibility Reduction - Agency Wide	(\$153,035)	R	(\$153,035) R
Creates a management flexibility reduction of \$153,035 for the General Assembly.			
19 Operating Budgets - All Divisions			(\$31,500) NR
Reduces operating budgets to actual FY 2011-12 expenditures.			
20 Rental Parking Space Budget			(\$30,000) R
Reduces the rental parking space budget due to anticipated revenues to be generated from charging temporary staff a monthly parking fee.			
21 Vacant Position Eliminations - Administrative Division	(\$120,504)	R	(\$120,504) R
Eliminates three positions that have been vacant over 180 days:			
1.0 FTE Bill Room Supervisor (P30118)	-2.60		-2.60
0.6 FTE Housekeeper (P30549)			
1.0 FTE Food Services Assistant I (P30615A)			
22 School of Government	(\$97,168)	R	(\$97,168) R
Reduces funds for the School of Government contract.			
1213 - Research Division			
23 Vacant Position	(\$40,960)	R	(\$40,960) R
Eliminates one vacant positions that has been vacant for approximately 150 days:			
1.0 FTE Senior Legislative Secretary (P30343)	-1.00		-1.00
House and Senate			
24 Subsistence			(\$123,760) NR
Reduces the subsistence budget for FY 2014-15 based on the assumption that the long session end date of mid-July.			
25 Temporary Wages	(\$422,905)	NR	(\$640,864) NR
Reduces funding available for floaters during sessions.			

Total Legislative Changes	(\$411,667)	R	(\$441,667)	R
	(\$422,905)	NR	(\$831,124)	NR
Total Position Changes		-3.60		-3.60
Revised Budget	\$52,010,818		\$51,572,599	

(7.0) Governor

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$5,539,743	\$5,541,825
<hr/>			
Legislative Changes			
26 Savings		(\$369,693) R	(\$369,693) R
Reduces funds to achieve savings through reducing non-essential dues and memberships by \$369,693.			
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Total Legislative Changes		(\$369,693) R	(\$369,693) R
<hr/>			
Total Position Changes			
Revised Budget		\$5,170,050	\$5,172,132
<hr/>			

(8.0) State Budget & Management

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$6,951,706	\$7,034,217
Legislative Changes			
Office of State Budget and Management			
27 Professional Positions		\$1,446,193	\$1,446,193
Adds fifteen positions to the Office of State Budget and Management. The positions include: one Chief Operating Officer, one Assistant State Budget Officer, one Information Technology Analyst, one Capital Analyst, one Cognos Administrator, one Accounting Technician, four Budget Analysts, two Management Analysts and three Economists.		R 15.00	R 15.00
Total Legislative Changes		\$1,446,193	\$1,446,193
Total Position Changes		15.00	15.00
Revised Budget		\$8,397,899	\$8,480,410

(9.0) State Budget and Management - Special

	GENERAL FUND			
	FY 13-14		FY 14-15	
Recommended Budget	\$49,000		\$49,000	
Legislative Changes				
Grants-in-Aid				
28 North Carolina Symphony				
Provides funding for the North Carolina Symphony for a challenge grant for FY 2013-14 and FY 2014-15.	\$1,500,000	NR	\$1,500,000	NR
29 Library				
Provides funding to the City of Kings Mountain to build a new public library.	\$1,500,000	NR		
30 North Carolina Humanities Council				
Eliminates funds for the North Carolina Humanities Council.	(\$49,000)	R	(\$49,000)	R
Total Legislative Changes	(\$49,000)	R	(\$49,000)	R
	\$3,000,000	NR	\$1,500,000	NR
Total Position Changes				
Revised Budget	\$3,000,000		\$1,500,000	

(10.0) Auditor

GENERAL FUND

	FY 13-14	FY 14-15
Recommended Budget	\$11,013,547	\$11,013,547

Legislative Changes

31 NO LEGISLATIVE CHANGES REPORTED

Total Legislative Changes

Total Position Changes

Revised Budget	\$11,013,547	\$11,013,547
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(11.0) Revenue

	GENERAL FUND	
	FY 13-14	FY 14-15
Recommended Budget	\$80,031,575	\$80,031,575
Legislative Changes		
1624 - Income Tax Division		
32 Income Tax Division Auditors	\$95,014	\$95,014
Adds one auditor position in the Income Tax Division to help with backlogged cases. Backlogged cases are the result of requests for reviews of disputed audits.	\$6,315 1.00	NR 1.00
1627 - Sales and Use Tax		
33 Sales and Use Tax Division Auditor	\$95,483	\$95,483
Adds one auditor position to the Sales and Use Tax Division to help with backlogged cases. Backlogged cases are the result of requests for review of disputed audits.	\$7,030 1.00	NR 1.00
Agency Wide		
34 Funding for Tax Information Management System (TIMS)		
Uses receipts from prior project phases to continue the implementation of TIMS. Revenues equaling \$8.9 million generated in prior years will support the internal costs of implementation.		
Total Legislative Changes	\$190,497	\$190,497
	\$13,345	NR
Total Position Changes	2.00	2.00
Revised Budget	\$80,235,417	\$80,222,072

(12.0) Secretary of State

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$11,845,185	\$11,845,185
<hr/>			
Legislative Changes			
Agency Wide			
35 Operations Reductions		(\$148,093) R	(\$148,093) R
Achieves savings throughout the Department by reducing various operating accounts.			
36 Positions		(\$121,909) R	(\$121,909) R
Eliminates three positions			
		-3.00	-3.00
(60008714) Processing Assistant V			
(60008777) Program Assistant IV			
(60008779) Administrative Assistant II			
Total Legislative Changes		(\$270,002) R	(\$270,002) R
Total Position Changes		-3.00	-3.00
Revised Budget		\$11,575,183	\$11,575,183

(13.0) Lieutenant Governor

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$444,047	\$444,047
<hr/>			
Legislative Changes			
1110 - Administration			
37 Support for Office Operations		\$231,042	\$231,042
Adds a Communication Director, Policy Director, and Director of Constituent Services to the Lieutenant Governor's Office.		\$6,000 3.00	NR 3.00
<hr/>			
Total Legislative Changes		\$231,042	\$231,042
		\$6,000	NR
Total Position Changes		3.00	3.00
Revised Budget		\$681,089	\$675,089

(14.0) State Controller

	GENERAL FUND	
	FY 13-14	FY 14-15
Recommended Budget	\$29,279,290	\$29,279,290
Legislative Changes		
38 ITS Charges	(\$35,000) R	(\$35,000) R
Reflects the reduced Information Technology Services (ITS) charges that will result from a new help desk ticketing system.		
39 Operating Budget	(\$45,000) R	(\$45,000) R
Reduces various accounts across the office to achieve savings.		
1000 - Office of State Controller		
40 Personnel	(\$488,599) R	(\$488,599) R
Directs the State Controller to reduce the Department's personnel budget by \$488,599.		
Total Legislative Changes	(\$568,599) R	(\$568,599) R
Total Position Changes		
Revised Budget	\$28,710,691	\$28,710,691

Office of State Controller

Budget Code: 24160

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$18,348,484	\$8,031,223
Recommended Budget		
Requirements	\$4,317,261	\$4,317,261
Receipts	\$0	\$
Positions	0.00	0.00

Legislative Changes

Requirements:

FICA Savings	\$0 R	\$0 R
Reduces the fund balance for the special fund for Federal Insurance Contribution Act (FICA) savings to fund Office of State Personnel activities for FY 2013-14.	\$6,000,000 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$6,000,000 NR	\$0 NR
	0.00	0.00

Receipts:

FICA Savings	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

House Subcommittee on General Government

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$10,317,261	\$4,317,261
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$10,317,261)	(\$4,317,261)
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$8,031,223	\$3,713,962

(15.0) Administration

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$68,316,992	\$68,241,992
Legislative Changes			
1123 - Historically Underutilized Businesses			
41 Historically Underutilized Business Education			(\$119,108) R
Eliminates up to two positions within the Division of Historically Underutilized Businesses. The Division is to continue current efforts to certify businesses as being historically underutilized and reduce efforts to educate those about the State requirements. The Statutory requirements regarding historically underutilized businesses have been in existence since 2001.			-2.00
1411 - Office of State Construction			
42 Office of State Construction Receipts		\$462,006 R	\$462,006 R
Partially moves positions at the Office of State Construction back to General Fund support. In FY 2011-12, nine positions within the Office of State Construction and 0.85 positions within the Management Information System Division were placed on receipt support. The receipts were to be from various projects' contingency reserves. The collection of funds from the contingency reserve has been problematic and the receipt source is uncertain. It is expected that up to five positions will be moved back onto General Fund support.		5.00	5.00
1421 - Facilities Management Division			
43 Utility Increases		\$441,861 R	\$498,562 R
Increases the budget in the utility line item (5322XX) to prepare for an upcoming rate increase to the water and sewer rate and any increase in the electric rate.			
44 Public Health Lab/Office of the Chief Medical Examiner Reserve		\$254,493 R	\$254,493 R
Provides increased funding for the operation and maintenance of the Public Health Lab/Office of the Chief Medical Examiner building. The building first received funding in FY 2011-12.			
1511 - Purchase and Contract Division			
45 E-Commerce Reserve		(\$1,218,659) NR	(\$1,476,543) NR
Utilizes funds collected in the E-Commerce Reserve to fund the ongoing operations of the Purchase and Contract Division. The Reserve is funded by a charge paid on goods purchased through the State's E-Procurement System.			

1732 - Displaced Homemakers Program**46 Displaced Homemakers Program Elimination**

(\$292,390) R (\$292,390) R

Eliminates the Displaced Homemakers Program and transfers funds collected from the divorce filing fee to the Domestic Violence Center Fund. The Domestic Violence Center Fund provides funding related to domestic violence. In FY 2011-12, the Displaced Homemakers Program Fund received \$1.8 million from the fee. The following receipt supported positions are eliminated:

60089848 Community Development Specialist I
65003391 Processing Assistant IV

1741 - Human Relations Commission**47 Consolidation**

(\$178,521) R (\$178,521) R

Consolidates staff functions by reducing the Human Relations Commission by three FTEs.

-3.00

-3.00

1771 - Division of Veterans Affairs**48 Veterans Affairs ITS Consolidation**

\$115,000 R \$115,000 R

Provides funding to complete the Information Technology Services consolidation for the Division of Veterans Affairs field offices.

\$68,000 NR

49 Grant in Aid Program

(\$138,000) R (\$138,000) R

Eliminates the grant in aid program to county governments for the provision of veterans services. The Division of Veterans Affairs will continue to provide services to veterans in offices throughout the State.

1810 - State Ethics Commission**50 Operating Expenses**

(\$22,434) R (\$22,434) R

Achieves savings by reducing various operating accounts.

1861 - Commission of Indian Affairs**51 Commission of Indian Affairs Consolidation**

(\$34,444) R (\$34,444) R

Eliminates a vacant Administrative Assistant II position (60013923) at the Commission of Indian Affairs.

-0.75

-0.75

1900 - Reserves and Transfers**52 Reserve and Transfer Reduction**

(\$32,942) R (\$32,942) R

Eliminates an unnecessary appropriation within the Reserve and Transfer budget.

Agency Wide**53 Savings**

Utilizes over-realized receipts from the Reserve for E-Commerce Initiative (2514) to fund operations from the Department.

(\$4,000,000) NR (\$6,000,000) NR

FY 13-14**FY 14-15****Agency Wide****54 Operations Reductions**

(\$286,119) R

(\$286,119) R

Eliminates a vacant positions Human Services Planner/Evaluator IV position (65010199) and reduces various operating line items including but not limited to: general office supplies, other admin supplies, janitorial supplies, other facility and hardware, motor vehicle replacement part, furniture-office, maintenance agreements-equipment, janitorial service agreements, other equipment, and other contracted services within the Department.

-1.00

-1.00

Office of State Personnel**55 Operations**

(\$175,964) R

(\$175,964) R

Reduces funds from various operating line items including: supplies, office furniture, office equipment, computer/data processing services, travel, and other contracted services within the Office of State Personnel.

56 Savings

Reduces State appropriations for FY 2013-14 by \$6 million and utilizes FICA savings.

(\$6,000,000) NR

Total Legislative Changes**\$112,546** R**\$50,139** R

(\$11,150,659) NR

(\$7,476,543) NR

Total Position Changes

0.25

-1.75

Revised Budget**\$57,278,879****\$60,815,588**

Reserve for E-Commerce Initiative (2514)

Budget Code: 24100

	FY 2013-14		FY 2014-15
Beginning Unreserved Fund Balance	\$15,318,833		\$6,517,947
Recommended Budget			
Requirements	\$21,748,642		\$21,748,642
Receipts	\$19,278,000		\$19,278,000
Positions	0.00		0.00

Legislative Changes

Requirements:

E-Commerce Fund Transfer	\$0 R		\$0 R
Utilizes over-realized receipts from the to fund the Core Banking System Upgrade at the Department of the State Treasurer	\$1,111,585 NR		\$0 NR
	0.00		0.00
E-Commerce Fund	\$0 R		\$0 R
Utilizes \$4,000,000 in FY 2013-14 and \$6,000,000 in FY 2014-15 to support operations within the Department of Administration.	\$4,000,000 NR		\$6,000,000 NR
	0.00		0.00
Purchase and Contract Use of E-Commerce Reserve	\$0 R		\$0 R
Utilizes the E-Commerce Reserve to support operations within the Division of Purchase and Contract. Funds from the Reserve are to be transferred to the Division (1511) to support recurring operating requirements.	\$1,218,659 NR		\$1,476,543 NR
	0.00		0.00
Subtotal Legislative Changes	\$0 R		\$0 R
	\$6,330,244 NR		\$7,476,543 NR
	0.00		0.00

Receipts:

House Subcommittee on General Government

	FY 2013-14	FY 2014-15
E-Commerce Funds Transfer	\$0 R	\$0 R
	\$0 NR	\$0 NR
E-Commerce Funds Transfer	\$0 R	\$0 R
	\$0 NR	\$0 NR
E-Commerce Funds Transfer	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$28,078,886	\$29,225,185
Revised Total Receipts	\$19,278,000	\$19,278,000
Change in Fund Balance	(\$8,800,886)	(\$9,947,185)
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$6,517,947	(\$3,429,238)

(16.0) Housing Finance Agency

	GENERAL FUND	
	FY 13-14	FY 14-15
Recommended Budget	\$9,408,417	\$9,408,417
<hr/>		
Legislative Changes		
1100 - HOME Match		
57 Home Match Reduction	(\$120,000) R	(\$120,000) R
Reduces the State match for the HOME program due to reductions in federal funding.		
1100 - Housing Trust Fund		
58 Housing Trust Fund	(\$876,785) NR	(\$2,583,496) NR
Reduces the General Fund appropriation to the Housing Trust Fund to \$7,000,000 for FY 2013-14 and \$5,293,289 for FY 2014-15.		
<hr/>		
Total Legislative Changes	(\$120,000) R	(\$120,000) R
	(\$876,785) NR	(\$2,583,496) NR
Total Position Changes		
Revised Budget	\$8,411,632	\$6,704,921

(17.0) Office of Administrative Hearings

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$4,335,464	\$4,350,431
<hr/>			
Legislative Changes			
1100 - Civil Rights Division			
59 Vacant Civil Rights Position and Contractual Services	(\$82,845)	R	(\$82,845) R
Eliminates vacant Civil Rights Investigator position (60088609) in the Civil Rights Division and reduces contractual services (532199).	-1.00		-1.00
1100 - Hearings Division			
60 Case Management System	\$109,850	R	\$110,308 R
Provides funding to fully implement the AMCAD case management system. This system will reduce paper filing, clerical entry, and mail processing.	\$160,000	NR	\$80,000 NR
<hr/>			
Total Legislative Changes	\$27,005	R	\$27,463 R
	\$160,000	NR	\$80,000 NR
Total Position Changes	-1.00		-1.00
Revised Budget	\$4,522,469		\$4,457,894

(18.0) Treasurer

		GENERAL FUND	
		FY 13-14	FY 14-15
Recommended Budget		\$6,851,090	\$6,851,090
Legislative Changes			
1210 - Investment Division			
61 Operating Reduction to Investment Division		(\$45,416) R	(\$45,416) R
Eliminates the appropriated position reserve (537199) for Investment Directors and Chief Investment Officer.			
1310 - Local Government Division			
62 State and Local Government Automation Project			
Authorizes the use of receipts for the State and Local Government Automation Project. This project is a multi-year effort to replace outdated information systems used by local government units. Project components include infrastructure upgrades, audit package with document management capabilities, modernization of Annual Financial Information Reporting (AFIR) process, and implementation of audit software. The Automation Project is funded from fees paid by local governments for debt issuance. The first phase of this project was authorized in FY 2011-12. The nonrecurring costs for this project are \$1,048,200 for FY 2013-14. There will be additional recurring costs of \$200,419.			
1510 - Financial Operations			
63 Reduction to Operating Funds in Financial Operations Division		(\$133,221) R	(\$133,221) R
Reduces transfers to the Information Management Division by \$70,000 (538175) to reflect change in the allocation formula, and reduces miscellaneous contractual services (532199) by \$25,000. In addition, a vacant Banking Specialist position (60009292) is eliminated. The position has been vacant over three years.			
1510 - Financial Operations Division			
64 Core Banking System Upgrade		\$1,111,585 NR	
Provides non-recurring funds for the upgrade of the State's Core Banking System. Appropriations to the Division for this item will not be subject to G.S. 147-68.1.			
65 Operation of State Core Banking System		\$353,852 R	\$353,852 R
Allows the Financial Operations Division to access funds under management to fund the operations of the upgraded State's Core Banking System Upgrade. Appropriations to the Division will be reimbursed in accordance with G.S. 147-68.1.			

Total Legislative Changes	\$175,215	R	\$175,215	R
	\$1,111,585	NR		
Total Position Changes	-1.00		-1.00	
Revised Budget	\$8,137,890		\$7,026,305	

(19.0) Fire Rescue Nat Guard Pensions & LDD Benefits

	GENERAL FUND	
	FY 13-14	FY 14-15
Recommended Budget	\$23,179,042	\$23,179,042

Legislative Changes

1412 - Fire Pension

66 General Fund Fire Contribution

Provides the General Fund contribution to the Firemen's Pension Fund. The payment of these pension benefits is made pursuant to G.S. 58-86. The amount of the recurring General Fund contribution in the continuation budget is \$14,015,734.

1413 - Rescue Squad

67 General Fund Contribution to the Rescue Squad Workers Pension Fund

Provides the General Fund contribution to the Rescue Squad Workers' Pension Fund. The payment of these pension benefits is made pursuant to G.S. 58-86. The amount of the recurring General Fund contribution in the continuation budget is \$1,430,865. The appropriation is reduced by \$820,000 relative to the continuation budget in order to align with the Annual Required Contribution in the June 30, 2012 actuarial valuation. This reduction appears in a corresponding money item in the Statewide Reserves section of the Committee Report.

1414 - National Guard

68 General Fund Contribution to National Guard

Provides the General Fund contribution to the National Guard Pension Fund. 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 \$7,007,443.

1432 - Line of Duty Death Benefits

69 General Fund Contribution to Line of Duty Death Benefits

Provides the General Fund contribution to the Line of Duty Death Benefits Fund. The Fund provides benefits to families of certain public servants who die in the line of duty. The payment of these death benefits is made pursuant to G.S. 143-12A. The amount of the recurring General Fund contribution to the fund is \$725,000.

Total Legislative Changes

Total Position Changes

Revised Budget

\$23,179,042

\$23,179,042

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TRANSPORTATION

Section K

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Highway Fund

HIGHWAY FUND

	FY 13-14	FY 14-15
Recommended Budget	\$1,696,197,124	\$1,692,322,459

Legislative Changes

Adjustments to Availability

1 Inspection Program Account & Telecommunications Account

Appropriates \$10.5 million of accumulated unencumbered fund balance in accordance with the elimination of the Inspection Program Account and Telecommunications Account upon completion of the Motor Vehicle Inspection and Law Enforcement System (MILES) information technology project. Projected recurring revenues from the consolidation of the Inspection (\$3.00) and Telecommunications (\$1.75) electronic authorization fees total \$23.6 million in FY 2013-14 and \$21.6 million in FY 2014-15.

2 Division of Motor Vehicles Technology Improvement Account

Appropriates \$4.55 million of accumulated unencumbered fund balance in accordance with the elimination of the Technology Improvement Account. Additional recurring revenues to the Highway Fund total \$634,000.

3 Access and Public Service Road Program

Appropriates \$4,843,441 of accumulated unencumbered fund balance from the Access and Public Service Road Program.

4 Division Small Urban Construction Program

Appropriates \$21,914,410 of accumulated unencumbered fund balance from the Division Small Urban Construction Program.

5 Contingency Fund

Appropriates \$27,060,083 of accumulated unencumbered fund balance from the Contingency Fund.

6 Economic Development Program

Appropriates \$3,346,215 of accumulated unencumbered fund balance within the Economic Development Program for qualifying projects to be used in FY 2013-14.

7 Shallow Draft Navigation Channel Dredging Fund

Reduces Highway Fund revenue by \$2,280,350 in FY 2013-14 and \$2,193,500 in FY 2014-15 to reflect the crediting of one-sixth of one percent (1/6 of 1%) of motor fuel tax revenue to the Shallow Draft Navigation Channel Dredging Fund.

8 Freight Rail & Rail Crossing Safety Improvement Fund

Increases Highway Fund availability to reflect dividend payments issued by the North Carolina Railroad Company during the 2013-15 fiscal biennium. Estimated receipts total \$19.2 million in FY 2013-14 and \$3.75 million in FY 2014-15.

Administration

9 Facility Security

\$303,896	R		\$303,896	R
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Appropriates recurring funds to maintain the existing level of contract security at seven DOT buildings, as recommended in the Governor's Budget. Funds were previously allocated from the year-end credit balance within the Highway Fund for this purpose.

10 Fiscal Section - Appalachian Regional Commission

\$278,099	R		\$278,099	R
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Appropriates funding for the Department's share of the Appalachian Regional Commission Assessment, as recommended in the Governor's Budget. Funds were previously allocated from the Highway Fund year-end credit balance for this purpose.

11 Occupational Safety and Health (OSHA) Program

(\$7,455)	R		(\$7,455)	R
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Reduces funding for the Occupational Safety and Health (OSHA) Program, leaving \$365,337, as recommended in the Governor's Budget.

12 DOT-IT - Mainframe Application Modernization

\$8,832,000	NR		\$5,000,000	R
			\$8,798,400	NR

Appropriates funds to advance the development and implementation of replacement systems for Division of Motor Vehicles mainframe applications, including the State Titling and Registration System (STARS), State Automated Driver License System (SADLS), and Liability Insurance Tracking and Enforcement System (LITES). Funds are authorized for the procurement of contractual services, hardware and software for these replacement efforts.

13 Fiscal Section - Combined Registration and Tax Collection System

Authorizes three additional receipt-supported positions to administer the collection of registration fees and property taxes upon implementation of the Combined Motor Vehicle Registration and Property Tax Collection System. Budgeted receipts are increased by \$189,278 recurring in FY 2013-14 and \$189,372 recurring in FY 2014-15. Costs incurred for project administration are supported by the administrative fee authorized in G.S. 105-330.5(b) and determined pursuant to the Memorandum of Understanding between the Department of Revenue and Division of Motor Vehicles, as required by G.S. 105-330.11. Total budgeted receipts for Fiscal Section project administration are \$634,702 in FY 2013-14 and \$634,796 in FY 2014-15.

14 DOT-IT - Combined Registration and Tax Collection System

Authorizes two additional receipt-supported positions to support and maintain the Combined Motor Vehicle Registration and Property Tax Collection System. Budgeted receipts are increased by \$240,296 recurring and \$232,750 nonrecurring in FY 2013-14, and are reduced by \$1,767,963 in FY 2014-15 per project close-out. Costs incurred for project administration are supported by the administrative fee authorized in G.S. 105-330.5(b) and determined pursuant to the Memorandum of Understanding between the Department of Revenue and Division of Motor Vehicles, as required by G.S. 105-330.11. Total budgeted receipts for DOT-IT project administration are \$4,831,480 in FY 2013-14 and \$2,861,062 in FY 2014-15.

15 Departmental Staffing Efficiencies

Eliminates 631 administrative, field, and equipment positions that have been vacant longer than 180 days. Of these, 587 are receipt-supported positions assigned to field and equipment units. Projected savings associated with these positions, totaling \$21,725,751, are returned to the funding programs.

(\$2,682,292)	R	(\$2,682,292)	R
-44.00		-44.00	

To manage this reduction, the Department may eliminate alternate vacant positions.

16 Preconstruction and Technical Services Units Reductions

Reduces the number of employees by 15 FTE in each year of the 2013-15 fiscal biennium, as directed by Section 34.2.

Aid to Municipalities

17 State Aid to Municipalities

Appropriates additional funding from the consolidation of State Aid to Municipalities/Powell Bill allocations within the Highway Fund. Budgeted funds total \$142,293,840 for FY 2013-14 and \$136,874,010 for FY 2014-15.

\$53,407,542	R	\$48,165,484	R
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Capital, Repairs & Renovations

18 Repairs & Renovations

Appropriates funds for repairs and renovations to eight Department of Transportation owned facilities during the 2013-15 fiscal biennium.

\$3,532,900	NR	\$2,792,000	NR
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19 Capital Improvements

Appropriates nonrecurring funds for capital improvement projects included in the Department of Transportation's 2013-2019 Capital Improvements Plan.

\$14,522,600	NR	\$17,145,700	NR
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Construction**20 Secondary Road Construction and Unpaved Secondary Road Paving Programs**

(\$76,886,298) R (\$76,708,526) R

Reduces funding for the Secondary Road Construction Program in FY 2013-14 and eliminates the program in FY 2014-15. The fund will be renamed in FY 2014-15 to the Unpaved Secondary Road Paving Program. The total budget is \$27.0 million in FY 2013-14 and \$12.0 million in FY 2014-15. The Department will allocate \$12.0 million recurring beginning in FY 2013-14 for the paving of unpaved secondary roads based on the statewide prioritization list.

\$15,000,000 NR

21 Access and Public Service Road Program

(\$35,178) R (\$35,178) R

Reduces funding for the Access and Public Service Roads Program by 2%, leaving \$1,723,707, as recommended in the Governor's Budget.

22 Economic Development Program Fund

\$10,346,215 NR \$4,036,171 NR

Appropriates \$10,346,215 nonrecurring to the Economic Development Program for qualifying projects in FY 2013-14 and \$4,036,171 nonrecurring in FY 2014-15. From these funds, the Department shall allocate:

- \$6.5 million in FY 2013-14 to the Division of Aviation to be used for aviation-related economic development projects; and,
- \$500,000 in FY 2013-14 to support costs incurred for the study directed by Section 34.23.

Division of Motor Vehicles**23 Customer Service Improvement Initiative**

\$889,782 R \$963,829 R

Appropriates funds to support part-time personnel, utilities, and other operating costs associated with the provision of extended weekday and Saturday hours of operation at 20 driver license offices during FY 2013-14, increasing to 30 offices by FY 2014-15, as recommended in the Governor's Budget.

\$540,683 NR

Nonrecurring funds are appropriated for the training of new personnel and to replace three digital scanners which are no longer supported by the manufacturer.

24 Credit/Debit Transaction Costs

\$6,646,233 R \$7,975,480 R

Appropriates funds to support transaction costs incurred for the acceptance of credit and debit card payments for registration, title, and highway use tax transactions.

25 Combined Registration and Tax Collection System

Continues funding for a total of 79 receipt-supported positions authorized by S.L. 2012-142, Sec. 24.10, of which 58 are time-limited, to administer the Combined Motor Vehicle Registration and Property Tax Collection System. Fifty-four of these authorized time-limited positions shall terminate no later than June 30, 2015. Vehicle Services personnel are responsible for system training, transaction and document processing, and resolution of branch agent and customer service requests.

Budgeted receipts are increased by \$8,151,788 in FY 2013-14 and \$10,460,702 in FY 2014-15. Costs incurred for project administration are supported by the administrative fee authorized in G.S. 105-330.5(b) and determined pursuant to the Memorandum of Understanding between the Department of Revenue and Division of Motor Vehicles, as required by G.S. 105-330.11. Total budgeted receipts for DMV project administration are \$11,591,432 in FY 2013-14 and \$11,423,636 in FY 2014-15. Funding is reduced by \$167,796 in FY 2014-15 due to the elimination of four positions responsible for initial training activities.

26 Combined Registration and Tax Collection System - Receipts

(\$3,470,415)	R	(\$3,692,867)	R
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Reduces funding to account for additional receipts derived from compensation for property tax transactions performed by the Division of Motor Vehicles and from the administrative fee for the production of combined registration renewal notices and vehicle property tax bills (G.S. 105-330.5(b)). Receipts budgeted within Vehicle Services (Fund Center 1500/157055) are increased by \$1,112,258 in FY 2013-14 and \$1,334,710 in FY 2014-15, and will partially offset costs incurred for credit/debit transactions. Receipts budgeted within General Services (Fund Center 1500/157030) are increased by \$2,358,157.

27 Inspection Program

\$15,440,537	R	\$15,440,537	R
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Increases funding to support the costs of administering the Inspection Program per the elimination of the Inspection Program Account and Telecommunications Account. Receipt-supported functions are converted to Highway Fund appropriation. Recurring funding for the Inspection Program (Fund Center 1500/150054) is increased by \$8,964,895, for a total Program budget of \$12,158,854 recurring. Receipts budgeted for split-funded positions within the License and Theft Bureau (Fund Center 1500/157060) are reduced by \$6,475,642.

Intermodal**28 Aviation Division - State Aid to Airports**

\$31,627	R	\$2,128,306	R
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Reduces funding for grants to airports to \$20.0 million recurring, a reduction of \$2,311,031 from the FY 2012-13 Certified Budget. Amounts shown represent adjustments relative to the Continuation Budget for the 2013-15 fiscal biennium, in accordance with the repeal of G.S. 136-16.4.

29 Public Transportation Division - High Point Furniture Market

\$200,000	R	\$200,000	R
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Increases assistance for transit services associated with the High Point Furniture Market to \$1.2 million recurring.

Highway Fund

House Subcommittee on Transportation

FY 13-14

FY 14-15

30 Ferry Division - Operating Efficiencies

(\$820,763) R (\$820,763) R

Reduces funding for Ferry Division operations by 2%, as recommended in the Governor's Budget.

31 Ferry Division - Tolling

\$2,500,000 R \$2,500,000 R

Reduces budgeted toll receipts by \$2.5 million recurring pursuant to Section 34.13.

32 Ferry Division - Spoil Site Capacity

\$1,150,000 NR

Appropriates nonrecurring funds to re-establish capacity at spoil sites at Fort Fisher (\$100,000), Southport (\$150,000), Cherry Branch (\$400,000), and Swan Quarter (\$500,000), as recommended in the Governor's Budget.

33 Rail Division - Operations

(\$424,023) R (\$424,023) R

Reduces funding for Rail Division programs by 2%, as recommended in the Governor's Budget.

34 Rail Division - Infrastructure Assistance Programs

(\$269,000) R (\$269,000) R

Eliminates funding for the Rail Industrial Access Program and Short Line Infrastructure Assistance Program. Eligible projects may qualify for funding through the Freight Rail and Rail Crossing Safety Improvement Fund and Strategic Prioritization Funding Plan for Transportation Investments.

35 Rail Division - Freight Rail & Rail Crossing Safety Improvement Fund

\$6,382,292 R \$6,432,292 R

Establishes the Freight Rail & Rail Crossing Safety Improvement Fund to support the enhancement of freight rail service and railroad-roadway crossing safety improvements, including projects which improve access to industrial, port, and military facilities. Appropriates \$19.2 million in FY 2013-14 and \$3.75 million in FY 2014-15 to the Fund from receipts derived from dividend payments issued by the North Carolina Railroad Company. In addition, \$2,682,292 recurring is appropriated to the Fund from department-wide administrative savings.

\$15,500,000 NR

36 Division of Bicycle & Pedestrian Transportation - Planning Grants

(\$379,447) R (\$379,447) R

Eliminates funding for the Regional Bicycle Planning Grant Program.

Maintenance

37 Primary System

(\$14,621,939) R (\$16,971,939) R

Reduces funding for the Primary System Maintenance Program, leaving \$148,730,880 in FY 2013-14 and \$146,380,880 in FY 2014-15.

38 Secondary Road Maintenance and Improvement Program

(\$14,621,939) R (\$16,971,939) R

Reduces funding to the Secondary Road Maintenance and Improvement Program, leaving \$268,378,374 in FY 2013-14 and \$266,028,374 in FY 2014-15.

House Subcommittee on Transportation	FY 13-14		FY 14-15	
39 System Preservation	(\$500,000)	R	(\$1,400,000)	R
Reduces funding for the System Preservation Program, consistent with new revenue estimates and G.S. 119-18(b).				
40 Reserve for General Maintenance	\$51,989,914	R	\$7,760,538	R
Increases funding for the Reserve for General Maintenance, as recommended in the Governor's Budget. Budgeted funds total \$89,790,226 for FY 2013-14 and \$45,560,850 for FY 2014-15.				
41 Contract Resurfacing	\$143,459,396	R	\$140,126,466	R
Increases funding for the Contract Resurfacing Program. Budgeted funds total \$436,333,800 for FY 2013-14 and \$415,011,119 for FY 2014-15.				
	\$17,989,751	NR		
42 System Preservation	\$100,771,279	R	\$74,779,855	R
Increases funding for the System Preservation Program. Budgeted funds total \$179,599,774 for FY 2013-14 and \$153,008,350 for FY 2014-15.				
Reserves				
43 Severance Expenditure Reserve				
Provides funding for severance salary continuation payments and health benefit coverage under the State Health Plan for employees reduced-in-force. Receipts for the positions eliminated in the Preconstruction and Technical Services units total \$415,755 in FY 2013-14 and \$435,630 in FY 2014-15.				
Transfers				
44 Department of Public Instruction - Driver Education Program	(\$625,322)	R	(\$595,583)	R
Reduces appropriated transfers to the Department of Public Instruction based on the revised forecast for 9th grade Average Daily Membership (ADM), as recommended in the Governor's Budget. Transfers total \$27,222,628 in FY 2013-14 and \$27,788,472 in FY 2014-15.				
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Total Legislative Changes	\$266,956,526	R	\$191,095,770	R
	\$87,414,149	NR	\$32,772,271	NR
Total Position Changes	-44.00		-44.00	
Revised Budget	\$2,050,567,799		\$1,916,190,500	
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Highway Trust Fund

HIGHWAY TRUST FUND

	FY 13-14		FY 14-15	
Recommended Budget	\$1,118,600,000		\$1,152,000,000	

Legislative Changes

Administration

45 Administration

(\$8,008,320)	R	(\$9,611,520)	R
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Eliminates the statutory adjustment to Administration and holds funding at the FY 2012-13 certified budget amount.

Aid to Municipalities

46 Aid to Municipalities

(\$56,072,216)	R	(\$58,054,337)	R
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Eliminates the Highway Trust Fund allocation to the Aid to Municipalities program and transfers funds to the Strategic Prioritization Program. The Highway Fund allocation to the Aid to Municipalities program is increased to hold municipalities harmless over a five-year period.

Construction

47 Strategic Prioritization Program

\$931,539,030	R	\$950,101,672	R
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Appropriates funding for highway and intermodal capital projects funded through the Highway Trust Fund per the new Strategic Prioritization Funding Plan for Transportation Investments.

48 Intrastate System

(\$515,520,933)	R	(\$530,210,557)	R
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Eliminates the Intrastate System program and transfers funds to the Strategic Prioritization Program.

49 Mobility Fund

(\$58,000,000)	R	(\$58,000,000)	R
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Eliminates the Mobility Fund program and transfers funds to the Strategic Prioritization Program.

50 Secondary Roads

(\$78,972,723)	R	(\$86,253,540)	R
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Eliminates the Secondary Road program and transfers funds to the Strategic Prioritization Program.

51 Urban Loops

(\$164,864,838)	R	(\$191,571,718)	R
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Eliminates the Urban Loops program and transfers funds to the Strategic Prioritization Program.

House Subcommittee on Transportation

FY 13-14

FY 14-15

Turnpike Authority

52 Gap Funding

Eliminates gap funding in the amounts of \$35 million for the Garden Parkway and \$28 million for the Mid-Currituck Bridge projects. The projects are eligible to compete for funding based on the prioritization process established under the Strategic Prioritization Funding Plan for Transportation Improvements.

(\$63,000,000) R (\$63,000,000) R

Total Legislative Changes

(\$12,900,000) R (\$46,600,000) R

Total Position Changes

Revised Budget

\$1,105,700,000 \$1,105,400,000

Turnpike Authority

Budget Code: 64208

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$0	\$0
Recommended Budget		
Requirements	\$151,879,602	\$1,404,739,602
Receipts	\$151,879,602	\$1,404,739,602
Positions	22.00	22.00

Legislative Changes

Requirements:

Departmental Staffing Efficiencies	(\$153,884) R	(\$153,884) R
Eliminates two vacant receipt-supported positions within the Turnpike Authority. Recurring savings total \$153,884.	\$0 NR	\$0 NR
	-2.00	-2.00
Subtotal Legislative Changes	(\$153,884) R	(\$153,884) R
	\$0 NR	\$0 NR
	-2.00	-2.00

Receipts:

Departmental Staffing Efficiencies	(\$153,884) R	(\$153,884) R
Reduces budgeted receipts per the elimination of two vacant positions.	\$0 NR	\$0 NR
Subtotal Legislative Changes	(\$153,884) R	(\$153,884) R
	\$0 NR	\$0 NR

House Subcommittee on Transportation

	FY 2013-14	FY 2014-15
Revised Total Requirements	\$151,725,718	\$1,404,585,718
Revised Total Receipts	\$151,725,718	\$1,404,585,718
Change in Fund Balance	\$0	\$0
Total Positions	20.00	20.00
Unappropriated Balance Remaining	\$0	\$0

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**RESERVES/
DEBT SERVICE/
ADJUSTMENTS
Section L**

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Statewide Reserves

GENERAL FUND

	FY 13-14	FY 14-15
Recommended Budget	\$756,149,861	\$756,149,861

Legislative Changes

A. Employee Benefits

1 Severance Expenditure Reserve

Provides funding for severance salary continuation payments and health benefits coverage under the State Health Plan for eligible employees who are reduced in force (RIF) during FY 2013-14. Any funds remaining in this reserve at the end of FY 2013-14 shall not revert and shall be used to pay severance salary continuation needs in FY 2014-15.

\$7,500,000 NR

2 Statewide Compensation Study

Establishes a reserve to fund a statewide compensation study by the Office of State Personnel (OSP). OSP shall report the results of its study to the chairs of the Senate Appropriations/ Base Budget Committee, the chairs of the House of Representatives Appropriations Committee, and the Fiscal Research Division by May 1, 2014.

\$1,000,000 NR

3 Salary Adjustment Fund

Appropriates funds to the Salary Adjustment Fund.

\$10,000,000 R \$10,000,000 R

4 Compensation Adjustment Reserve

Provides funding for a compensation adjustment reserve for FY 2014-15.

\$160,000,000 R

5 State Retirement System Contributions

Increases the State's contribution to the Teachers' and State Employees' Retirement System for the 2013-15 biennium to fund the Annual Required Contribution.

\$36,000,000 R \$36,000,000 R

6 Judicial Retirement System Contributions

Increases the State's contribution to the Consolidated Judicial Retirement System for the 2013-15 biennium to fund the Annual Required Contribution.

\$1,000,000 R \$1,000,000 R

7 Highway Fund Retirement System Contributions

Increases the State's contribution to the Teachers' and State Employees' Retirement System for positions supported by the Highway Fund by \$1,121,000 for 2013-15 biennium to fund the Annual Required Contribution. The increased expenditures appear in a corresponding item in the Transportation section of the Committee

8 Reserve for Future Benefit Needs

\$56,400,000 R

Creates a General Fund reserve for increased contributions to existing employee benefits programs.

9 Highway Fund Reserve for Future Benefit Needs

Creates a Highway Fund reserve of \$1,745,000 for increased contributions to existing employee benefits programs. Funds for the reserve appear in a corresponding item in the Transportation section of the Committee Report.

10 Firemen's and Rescue Squad Workers' Pension Fund

(\$820,000) R (\$820,000) R

Reduces contributions to the Firemen's and Rescue Squad Workers' Pension Fund for the 2013-15 biennium to match the Annual Required Contribution.

11 State Health Plan

\$33,000,000 R \$101,000,000 R

Provides additional funding needed to increase employer premium contribution by 3.5% each January 1 of the biennium. This rate of increase is projected to be sufficient to meet the Plan's needs through calendar year 2017 after the Board of Trustees adopts additional plan changes described in the bill.

12 Highway Fund State Health Plan Contributions

Provides additional appropriation for positions funded through the Highway Fund to increase employer premium contribution by 3.5% each January 1 of the biennium. The additional funding required from the Highway Fund is \$1.7 million for FY 2013-14 and \$5.1 million for FY 2014-15. The increased expenditures appear in a corresponding item in the Transportation section of the Committee Report.

B. Other Reserves**13 Unemployment Insurance (UI) Reserve**

\$23,800,000 NR \$13,600,000 NR

Establishes a reserve for the requirements of S.L. 2013-2, UI Fund Solvency and Program Changes. The Office of State Budget and Management shall distribute the reserve to State agencies to fund the 1% UI reserve requirements for General Fund-supported employees and State-funded teachers. Total funding in FY 2013-14 will be \$40.8 million due to the transfer of \$17 million from the Worker Training Trust Fund, the Training and Employment Account, and the Special Employment Security Administration Fund.

14 Job Development Investment Grant Reserve

\$24,423,772 R \$35,645,357 R

Increases funding for the Job Development Investment Grant (JDIG) Reserve to meet projected needs for FY 2013-14 and FY 2014-15. Total funding in FY 2013-14 will be \$51,823,772; total funding in FY 2014-15 will be \$63,045,357.

15 NC GEAR

\$2,000,000 NR \$2,000,000 NR

Establishes a statewide reserve in the Office of State Budget and Management for the NC Government Efficiency and Reform (NC GEAR) project.

	FY 13-14		FY 14-15	
16 IT Reserve Fund	\$5,635,000	R	\$7,820,000	R
Provides additional funds for the Information Technology (IT) Reserve Fund in the Office of the State Chief Information Officer. Additional information about these funds is provided in the IT section of this report.	\$21,365,000	NR	\$24,180,000	NR
17 Eugenics Sterilization Compensation Fund				
Creates a fund to provide \$50,000 for each verified victim of the State's Eugenics Program, to continue the operations of the Justice for Sterilization Victims Foundation, and to provide funds for administration.	\$10,000,000	NR		
18 NC Back-To-Work				
Creates a reserve to continue funding for the NC Back-to-Work program in the Community College System. This is a retraining program focused on unemployed and underemployed North Carolinians, military veterans, and North Carolina National Guard members.	\$10,000,000	NR		
19 Reserve for Pending Legislation	\$9,170,500	R	\$11,641,000	R
Creates a reserve to fund the following House bills should they be enacted into law:	\$150,000	NR		
-HB 473 - \$150,000 for the Department of Insurance to regulate captive insurance companies.				
-HB 675 - \$100,000 in FY 2013-14 and \$200,000 in FY 2014-15 for the General Fund portion (80%) of the total impact on the State Health Plan from changes in the Pharmacy Laws.				
-HB 498 - \$900,000 in FY 2013-14 and \$2,600,000 in FY 2014-15 for the General Fund portion (80%) of the total impact on the State Health Plan from changes in autism health insurance coverage.				
-HB 269 - \$3,670,500 in FY 2013-14 and \$4,341,000 in FY 2014-15 for the State Education Assistance Authority and the Department of Public Instruction to implement the bill.				
-HB 998 - \$4,500,000 in FY 2013-14 and \$4,500,000 in FY 2014-15 for the Department of Revenue to implement changes from the Tax Simplification and Reduction Act.				
20 Disaster Relief Reserve				
Appropriates funds to the Disaster Relief Reserve.	\$10,000,000	NR		
C. Debt Service				
21 Debt Service Adjustment	(\$34,949,705)	R	(\$18,648,784)	R
Adjusts debt service appropriations based on updated cash flow requirements.				

Total Legislative Changes	\$83,459,567	R	\$400,037,573	R
	\$85,815,000	NR	\$39,780,000	NR
Total Position Changes				
Revised Budget	\$925,424,428		\$1,195,967,434	

State Health Plan (Administration)

Budget Code: 28410

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$5	\$5
Recommended Budget		
Requirements	\$195,380,187	\$195,380,187
Receipts	\$195,380,187	\$195,380,187
Positions	46.00	46.00

Legislative Changes

Requirements:

Medical Benefits/Claims Processing Contract	(\$19,507,650) R	(\$15,997,012) R
Adjusts the budgeted amounts for Third Party Administrative Services contracts based on newly effective contracts, changes in membership, and on-going administrative services.	\$0 NR 0.00	\$0 NR 0.00
Pharmacy Benefits Management (PBM) Contract	(\$3,020,918) R	(\$11,804,511) R
Adjusts the budgeted amount for the PBM contract based on anticipated contractual costs, changes in membership, and administrative services provided by the PBM. Reflects a full year of the Employer Group Waiver Plan (EGWP) in FY 2013-14.	\$0 NR 0.00	\$0 NR 0.00
Disease & Case Management Contracts	\$1,830,916 R	\$2,808,916 R
Adjusts the budgeted amount for Population Health Management Services contracts based on anticipated contractual costs, changes in membership, and on-going disease and case management services.	\$0 NR 0.00	\$0 NR 0.00
Wellness Initiatives and Programs	(\$177,425) R	(\$379,250) R
Adjusts the budgeted amount for Wellness Initiatives contracts based on on-going contracts, programs, and initiatives and reflecting the expiration of some contracts.	\$0 NR 0.00	\$0 NR 0.00

House Appropriations Committee

	FY 2013-14		FY 2014-15	
Other Administrative Costs	\$6,841,519	R	\$41,043,218	R
Adjusts the budgeted amounts for the Plan's other administrative costs to reflect increased member communications due to plan design changes, enhanced auditing efforts, and anticipated adjustments to contractual costs due to inflation and membership changes. Reflects the transitional reinsurance fee under the federal Affordable Care Act in FY 2014-15.	\$0	NR	\$0	NR
	0.00		0.00	
Department Overhead Allocation	\$1,100,000	R	\$1,100,000	R
Directs the Office of State Budget and Management to create a new fund code for the Department of State Treasurer core services allocation. The amounts in other fund codes may only be used for purposes directly related to the administration of the State Health Plan.	\$0	NR	\$0	NR
	0.00		0.00	
Subtotal Legislative Changes	(\$12,933,558)	R	\$16,771,361	R
	\$0	NR	\$0	NR
	0.00		0.00	
<hr/>				
Receipts:				
Adjust Transfers from Trust Funds	(\$12,933,558)	R	\$16,771,361	R
Adjusts the amount of transfer from the Plan's health benefit trust fund budget codes to support administrative costs authorized for the 2013-15 fiscal biennium.	\$0	NR	\$0	NR
Subtotal Legislative Changes	(\$12,933,558)	R	\$16,771,361	R
	\$0	NR	\$0	NR
<hr/>				
Revised Total Requirements	\$182,446,629		\$212,151,548	
Revised Total Receipts	\$182,446,629		\$212,151,548	
Change in Fund Balance	\$0		\$0	
Total Positions	46.00		46.00	
<hr/>				
Unappropriated Balance Remaining	\$5		\$5	

CAPITAL
Section M

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Capital

GENERAL FUND

FY 13-14

FY 14-15

A. Department of Administration

1 Division of Veterans Affairs - Sandhills State Veterans Cemetery

Appropriates \$125,000 to construct an enclosed committal structure for the Sandhills State Veterans Cemetery in Spring Lake, NC. The funding will match contributions from non-State entities. The total cost of the project is \$300,000.

\$125,000 NR

B. Department of Environment and Natural Resources

2 Water Resources

Provides funds for the State's share of Water Resource Development Projects. Funds will provide a State match for \$39.5 million in federal funds and \$9.3 million in local funds in FY 2013-14. The projects are specified in Section 36.3.

\$13,522,000 NR

C. Department of Public Safety

3 Samarkand Training Facility

Converts the vacant Division of Juvenile Justice Youth Development Center into an overnight Department of Public Safety training facility.

\$5,250,000 NR \$5,173,000 NR

4 Armory and Facility Development Projects

Appropriates \$8.25 million in State funds over the fiscal biennium to expand and renovate National Guard Armories and Facilities located throughout the State. These funds will match \$21 million in federal funds. The projects are specified in a special provision.

\$5,000,000 NR \$3,250,000 NR

D. University of North Carolina

5 Appalachian State University - Health Sciences Building

Funds advance planning for Appalachian State University's College of Nursing and Health Sciences Building. The 200,000 sq. ft. facility will be constructed in association with the Watauga Medical Center. Planning funds for this project were originally appropriated in S.L. 2008-107 but were reverted by the Governor to cover the FY 2008-09 budgetary shortfall. The project is estimated to cost \$80.2 million.

\$2,000,000 NR \$2,000,000 NR

6 University of North Carolina - Asheville - Land Purchases

Appropriates funds for the University of North Carolina - Asheville for land purchases to allow for the long-term growth and expansion of the campus consistent with the strategic plans of the campus and the Board of Governors.

\$2,000,000 NR

House Appropriations Committee

FY 13-14

FY 14-15

Total Appropriation to Capital

\$27,897,000 NR

\$10,423,000 NR

**INFORMATION
TECHNOLOGY
SERVICES
Section N**

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Information Technology Reserve Fund

Budget Code: 00000

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$0	\$0
Recommended Budget		
Requirements	\$35,000,000	\$32,000,000
Receipts	\$27,000,000	\$32,000,000
Positions	0.00	0.00

Legislative Changes

Requirements:

Adjustment to IT Reserve

Adjusts Information Technology Reserve requirements to reflect the availability of funding by reducing requirements to reflect receipts. This includes delaying the hiring of two IT managers and one IT professional responsible for planning until second year (\$450,000), delaying the hiring of five IT analysts responsible for the build function until the second year (\$550,000), delaying network simplification until the second year, reducing MS Office by \$3,600,000 in FY 2013-2014, eliminating funding of \$400,000 in FY 2013-2014, and eliminating \$3 million for secure sign-on.

	(\$2,700,000) R	\$0 R
	(\$5,300,000) NR	\$0 NR
	0.00	0.00

Prepare/Focus (Strategic Plan)

Provides \$250,000 in FY 2013-14 to allow the State Chief Information Officer (CIO) to develop a new strategic plan that can be consistently implemented across State agencies, using a cross-agency working group to assess Statewide needs and formulate a plan. To support this effort, the State CIO will retain consultants with public and private sector expertise and estimates a requirement for 1,250 hours of support at \$200 per hour.

	\$0 R	\$0 R
	\$0 NR	\$0 NR
	0.00	0.00

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FY 2013-14

FY 2014-15

Plan (Enterprise Architecture)

Provides the State CIO with funding of \$1,570,806 in FY 2013-14 and \$2,239,512 in FY 2014-15 to hire 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. To facilitate this process, the State CIO plans to recruit personnel with the necessary expertise. These will include the following:

- 1 IT Executive
- 4 IT Managers (2 hired in FY 2014-15)
- 11 IT Professionals (6 hired 10/01/2013) (1 hired in FY 2014-15)

\$0 R
\$0 NR
13.00

\$0 R
\$0 NR
16.00

Build (Project Management)

Provides funding of \$1,507,353 in FY 2013-14 and \$2,882,254 in FY 2014-15 to allow the State CIO to hire 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. The State CIO has projected the following staffing requirements:

- 1 IT Executive
- 3 IT Managers (1 to be hired 10/01/2013, 1 to be hired 01/01/2014)
- 14 IT Analysts (6 to be hired 10/1/2013, 5 to be hired 01/01/2014)
- 8 IT Analysts for 2014 (1 to be hired 10/01/2014, 1 to be hired 01/01/2015)

\$0 R
\$0 NR
18.00

\$0 R
\$0 NR
26.00

Remediation (Equipment Relocation)

Provides the State CIO with funding to move information technology equipment from substandard facilities to State data centers. The associated costs are estimated as follows:

- Vendor support of \$300,000 in FY 2013-2014
- Equipment costs of \$800,000 in FY 2013-14 & \$600,000 in FY 2014-15

\$0 R
\$0 NR
0.00

\$0 R
\$0 NR
0.00

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	FY 2013-14		FY 2014-15	
Security	\$0	R	\$0	R
Ensures that State agencies are meeting IT security requirements by providing nonrecurring funding of \$1,500,000 in FY 2013-14 and \$250,000 in FY 2014-15 to allow the State CIO to conduct an assessment of their current status, then implement improvements based on identified shortfalls. To accomplish this, the services of an outside consultant will be required. The State CIO has also identified shortfalls in the IT Security staff and requires an additional IT security specialist, to be hired in January 2014, with an annual salary and benefits totaling \$142,788.	\$0	NR	\$0	NR
	1.00		1.00	
 Network Simplification	 \$0	R	 \$0	R
Provides nonrecurring funding of \$5,250,000 in FY 2014-15 to allow for the upgrade, simplification, and modernization of the State's internal IT infrastructure to accommodate current technology. Applications will also be upgraded.	\$0	NR	\$0	NR
	0.00		0.00	
 Desktop Remediation	 \$0	R	 \$0	R
Provides nonrecurring funding of \$16,000,000 in FY 2013-14 and \$13,300,000 in FY 2014-15 for the replacement of obsolete computers and applications.	\$0	NR	\$0	NR
	0.00		0.00	
 MS Office	 \$0	R	 \$0	R
Provides \$2,300,000 in FY 2013-14 and FY 2014-15, as well as nonrecurring funding of \$1,715,000 in FY 2013-14 to update approximately 50,000 agency software licenses to meet current standards.	\$0	NR	\$0	NR
	0.00		0.00	
 Operate (Standards and Measures)	 \$0	R	 \$0	R
Allows the State CIO to establish consistent, comparable IT standards and measures. To accomplish this, the State CIO has requested funding of \$185,446 in FY 2013-14 and FY 2014-15 for an IT Executive to be responsible for managing the delivery of IT services for State agencies. To enable this executive to standardize IT, the State CIO will engage the services of a consultant with nonrecurring funding of \$800,000 in FY 2013-2014 and \$500,000 in FY 2014-2015.	\$0	NR	\$0	NR
	1.00		1.00	
 Customer Data	 \$0	R	 \$0	R
Facilitates the State CIO developing a standard State policy regarding access to and use of data held by the State, using the services of a consultant at the nonrecurring cost of \$1 million in FY 2014-2015.	\$0	NR	\$0	NR
	0.00		0.00	

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	FY 2013-14	FY 2014-15
Secure Sign-On	\$0 R	\$0 R
Provides recurring funding of \$70,000 and nonrecurring funding of \$3,280,000 in FY 2014-15 for the upgrade of the State's identity management system to accommodate increasing security requirements for anyone accessing certain types of data.	\$0 NR 0.00	\$0 NR 0.00
Innovation Center	\$0 R	\$0 R
Creates an innovation center to encourage collaboration between 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	\$0 NR 0.00
Subtotal Legislative Changes	(\$2,700,000) R (\$5,300,000) NR 33.00	\$0 R \$0 NR 44.00

Receipts:

Information Technology Reserve Receipts	\$0 R	\$0 R
Sets IT Reserve receipts at \$27,000,000 in appropriations for FY 2013-14 and \$32,000,000 for FY 2014-15.	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R \$0 NR	\$0 R \$0 NR

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	FY 2013-14	FY 2014-15
Revised Total Requirements	\$27,000,000	\$32,000,000
Revised Total Receipts	\$27,000,000	\$32,000,000
Change in Fund Balance	\$0	\$0
Total Positions	33.00	44.00
Ending Unreserved Fund Balance	\$0	\$0

Information Technology Internal Service Fund

Budget Code: 74660

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$16,656,521	\$16,656,521
Recommended Budget		
Requirements	\$190,000,000	\$190,000,000
Receipts	\$190,000,000	\$190,000,000
Positions	507.00	507.00

Legislative Changes

Requirements:

Information Technology Internal Service Fund	\$0	R	\$0	R
Provides funding for the Office of Information Technology Services. For FY 2013-14 and FY 2014-15, the Fund is limited to \$190 million.	\$0	NR	\$0	NR
	0.00		0.00	
Subtotal Legislative Changes	\$0	R	\$0	R
	\$0	NR	\$0	NR
	0.00		0.00	

Receipts:

IT Internal Service Fund Receipts	\$0	R	\$0	R
Limits receipts for SFY 2013-14 and 2014-15 to \$190 million each year.	\$0	NR	\$0	NR
Subtotal Legislative Changes	\$0	R	\$0	R
	\$0	NR	\$0	NR

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	FY 2013-14	FY 2014-15
Revised Total Requirements	\$190,000,000	\$190,000,000
Revised Total Receipts	\$190,000,000	\$190,000,000
Change in Fund Balance	\$0	\$0
Total Positions	507.00	507.00
Ending Unreserved Fund Balance	\$16,656,521	\$16,656,521

Information Technology Fund

Budget Code: 24667

	FY 2013-14	FY 2014-15
Beginning Unreserved Fund Balance	\$0	\$2,200
Recommended Budget		
Requirements	\$6,053,142	\$6,053,142
Receipts	\$6,053,142	\$6,053,142
Positions	33.00	33.00

Legislative Changes

Requirements:

Criminal Justice Information Network

Provides \$189,563 in each year of the biennium to 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.

	R	R
	NR	NR

Center for Geographic Information and Analysis

Provides \$495,338 in each year of the biennium for the Center for Geographic Information and Analysis (CGIA). The CGIA is the lead agency for geographic information systems (GIS) services and GIS coordination for North Carolina. CGIA provides GIS services to State and local governments as well as the private sector.

	R	R
	NR	NR

Enterprise Security Risk Management Office

Reduces funding for Enterprise Security Risk Management to 2011-2013 levels, leaving \$864,148 (recurring) for each year of the biennium. 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.

	(\$248,746) R	(\$248,746) R
	NR	NR

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	FY 2013-14		FY 2014-15	
Enterprise Project Management Office	(\$219,116)	R	(\$219,116)	R
Reduces funding for the Enterprise Project Management Office (EPMO) to 2011-13 levels, leaving \$1,473,285 for FY 2013-14 and FY 2014-15. The EPMO was established to improve the management of IT projects in State government.		NR		NR
Architecture and Engineering	(\$48,354)	R	(\$48,354)	R
Reduces funding for the Office of Enterprise Architecture to 2011-2013 levels, providing \$851,986 for FY 2013-14 and FY 2014-15. 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.		NR		NR
State Web Site		R		R
Provides funding of \$224,741 for FY 2013-14 and FY 2014-15 to support the operation and maintenance of the State's web site.		NR		NR
Enterprise Licenses		R		R
Provides funding of \$33,000 for FY 2013-14 and FY 2014-15 for enterprise license agreements. Enterprise license agreements support multiple agencies' IT projects and applications.		NR		NR
Consolidation	\$1,033,731	R	\$1,033,731	R
Provides recurring funding totaling \$2,054,812 for each year of the biennium, and nonrecurring funding of \$1,582,485 in FY 2013-2014 and \$3 million in FY 2014-2015 to consolidate agency infrastructure and applications.	\$1,582,485	NR	\$3,000,000	NR
	0.00		0.00	
Electronic Forms and Digital Signatures	\$900,000	R	\$900,000	R
Provides funding to continue the State's effort to develop and enterprise electronic forms and digital signatures capability.		NR		NR
Subtotal Legislative Changes	\$1,417,515	R	\$1,417,515	R
	\$1,582,485	NR	\$3,000,000	NR
	0.00		0.00	

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	FY 2013-14		FY 2014-15	
Receipts:				
Interest	\$2,200	R	\$2,200	R
Accounts for interest generated by the Information Technology Fund during FY 2012-13 and 2013-14.	\$0	NR	\$0	NR
Funding for Consolidation	\$1,417,515	R	\$1,417,515	R
Provides additional funding to continue the consolidation of State infrastructure and applications by the State Chief Information Officer.	\$1,582,485	NR	\$3,000,000	NR
Subtotal Legislative Changes	\$1,419,715	R	\$1,419,715	R
	\$1,582,485	NR	\$3,000,000	NR
<hr/>				
Revised Total Requirements	\$9,053,142		\$10,470,657	
Revised Total Receipts	\$9,055,342		\$10,472,857	
Change in Fund Balance	\$2,200		\$2,200	
Total Positions	33.00		33.00	
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Ending Unreserved Fund Balance	\$2,200		\$4,400	

