2010 Annotated Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets

(Also includes summaries of relevant provisions of S.L. 2010-123, Senate Bill 1202, Budget Technical Changes/Corrections and related bills)
FOREWORD

This document is an annotated version of the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets for FY 2010-11. This Annotated Report includes all legislative adjustments to the FY 2010-11 State Budget (S.L. 2010-31 and S.L. 2010-123) and also includes summaries of other related bills and budgetary information.

This document and other fiscal and budgetary information are available online at http://www.ncleg.net/fiscalresearch/

This report was prepared by the Fiscal Research Division, a nonpartisan, central staff office that provides fiscal and policy information to the Legislature.
**Staff Assignments**

**Director**

Marilyn Chism

**Support Staff**

Agnes Perry, Team Leader  
Debora Bridgers  
Elizabeth Davis

**Subcommittee/Departments/Coverage**

**Analysts**

**Budget Development**

House and Senate Appropriations Committees  
Karen Hammonds-Blanks-House

Statewide Budget Issues  
Denise Harb - House

Appropriations Bill Coordination  
Evan Rodewald - Senate

Savings Reserve Account  
Susan Morgan - Senate

Budget Technical Corrections Bill Coordination  

Joint Commission on Governmental Operations  
Program Justification Reviews Coordination

**Salaries and Benefits**

Mark Trogdon, Team Leader  
Marshall Barnes  
Stanley Moore

**General Government**

Michele Nelson, Team Leader  
Claire Hester  
Tiesha Pope

Administration  
Claire Hester

Administrative Hearings  
Tiesha Pope

Auditor  

Cultural Resources  

General Assembly  

Governor’s Office  

Insurance  

Information Technology Services  

Housing Finance Agency  

Licensing Boards  

Lieutenant Governor  

Revenue  

Secretary of State  

State Board of Elections  

State Budget and Management  

State Controller  

State Ethics Commission  

State Treasurer
# Staff Assignments

## Subcommittee/Departments/Coverage

### Justice and Public Safety
- Correction
- Crime Control & Public Safety
- Judicial
- Justice
- Juvenile Justice & Delinquency Prevention

### Health and Human Services

### Natural and Economic Resources
- Environment and Natural Resources
- Agriculture
- Commerce
- Labor

### Transportation/IT/Capital
- Department of Transportation
- State Highway Patrol
- Information Technology
- Capital Budgeting/Planning

### Education
- Public Instruction (K-12)
- Community Colleges
- University of North Carolina

### Economy and Taxation
- Revenue Estimates
- Finance Committees
- Revenue Laws Study Committee
- Economic Issues
- State Bond Proposals
- Fiscal Trends Commission

### Digital Information Management

### Analysts

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<thead>
<tr>
<th>Subcommittee/Departments/Coverage</th>
<th>Analysts</th>
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<tbody>
<tr>
<td>Justice and Public Safety</td>
<td>Kristine Leggett, Team Leader</td>
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<tr>
<td></td>
<td>Douglas Holbrook</td>
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<td>John Poteat</td>
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<td>Health and Human Services</td>
<td>Lisa Hollowell, Team Leader</td>
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<td></td>
<td>Bryce Ball</td>
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<td>Melanie Bush</td>
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<td>Denise Thomas</td>
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<td>Natural and Economic Resources</td>
<td>Kristin Walker, Team Leader</td>
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<td>Lanier McRee</td>
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<td>Transportation/IT/Capital</td>
<td>Bob Weiss, Team Leader</td>
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<td></td>
<td>Amna Cameron</td>
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<td>Karlynn O’Shaughnessy</td>
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<td>Mark Bondo</td>
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<td>Richard Bostic, Team Leader</td>
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<td>Brian Matteson</td>
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<td>Martha Walston</td>
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<td>Digital Information Management</td>
<td>Chris Black</td>
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- Community Colleges  
- UNC System

**Health and Human Services**
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- Central Management and Support
- Public Health
- NC Health Choice
- Medical Assistance
- Health Service Regulation
- Social Services
- Office of Education Services
- Aging and Adult Services
- Blind, Deaf and Hard of Hearing
- Vocational Rehabilitation

**Natural and Economic Resources**
- Agriculture and Consumer Services
- Labor
- Environment and Natural Resources
- DENR – Clean Water Management Trust Fund
- Commerce
- Commerce – State Aid
- NC Biotechnology Center
- Rural Economic Development Center
- NC State Fair
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# State of North Carolina

**Full-time Equivalent Position Counts by GAAP Fund Type**

*(December 2009)*

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<thead>
<tr>
<th>Government Sector</th>
<th>General Fund (1)</th>
<th>Highway Fund</th>
<th>Enterprise Fund</th>
<th>Institutional Fund</th>
<th>Internal Service Fund</th>
<th>Special Fund (5)</th>
<th>Trust Fund</th>
<th>Total by Sector</th>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>UNC System(3)</td>
<td>34,684.91</td>
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<td>-</td>
<td>17,509.72</td>
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<td>7,525.36</td>
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<td>Justice and Public Safety</td>
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<td>652.03</td>
<td>2,293.50</td>
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<td>-</td>
<td>397.00</td>
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<td>Health &amp; Human Services</td>
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<td>9,593.59</td>
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<td>5.00</td>
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<td>7,785.00</td>
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<td>Natural &amp; Economic Resources</td>
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<td>147.00</td>
<td>662.68</td>
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<td>Education (State Administration)</td>
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<td>49.00</td>
<td>10.05</td>
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<td><strong>Sub-total</strong></td>
<td><strong>82,359.26</strong></td>
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<td><strong>10,104.50</strong></td>
<td><strong>6,321.00</strong></td>
<td><strong>691.68</strong></td>
<td><strong>17,509.72</strong></td>
<td><strong>1,196.98</strong></td>
<td><strong>4,385.20</strong></td>
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<td>Local Education</td>
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<td>Public Schools(3)(4)</td>
<td>153,197.34</td>
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<td>57.07</td>
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<td>Community Colleges(3)</td>
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<td><strong>Sub-total</strong></td>
<td><strong>171,927.44</strong></td>
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<td><strong>Total by GAAP Fund Type</strong></td>
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<td><strong>14,611.30</strong></td>
<td><strong>10,161.57</strong></td>
<td><strong>6,321.00</strong></td>
<td><strong>691.68</strong></td>
<td><strong>17,509.72</strong></td>
<td><strong>1,196.98</strong></td>
<td><strong>4,385.20</strong></td>
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</table>

**Notes:**

1) Salary Base includes -101 positions in Reserve budget codes representing positions to be eliminated by DOC by 5/1/2010.
2) Includes 5,532 work order positions funded out of construction and maintenance line-items in the Highway Fund Budget.
3) Includes FTE growth due to projected enrollment growth for the 2010-2011 fiscal year.
4) The total number contains some non-FTE counts that may slightly overstate the overall total position count.
5) Includes 179 time-limited permanent positions in ESC set to expire 9/30/2010.

**Source:** Survey of State Agencies and Other State-funded Institutions, Fiscal Research Division, NC General Assembly, Office of State Budget and Management, December 2009.
General Fund Availability Statement

FY 2010-2011

1. Unappropriated Balance Remaining from Previous Year 3,702,182
2. Adjustment from Estimated to Actual FY 2009-10 Beginning Unreserved Fund Balance 270,080
3. Beginning Unreserved Fund Balance 3,972,262

4. Revenues Based on Existing Tax Structure 18,199,339,016

5. Non-tax Revenues
6. Investment Income 57,500,000
7. Judicial Fees 239,100,000
8. Disproportionate Share 100,000,000
9. Insurance 67,000,000
10. Other Non-Tax Revenues 182,700,000
11. Highway Trust Fund/Use Tax Reimbursement Transfer 72,800,000
12. Highway Fund Transfer 17,600,000
13. Subtotal Non-tax Revenues 736,700,000

14. Total General Fund Availability 18,940,011,278

15. Adjustments to Availability: Senate Bill 897
16. Internal Revenue Code Conformity (7,700,000)
17. Unemployment Insurance Refundable Tax Credit (34,100,000)
18. Increase Sales Tax Prepayment Threshold (7,000,000)
19. Relieve Annual Report Compliance Burden on Small Businesses (400,000)
20. Fair Tax Penalties 0
21. Extend Sunsets on Various Tax Incentives (3,500,000)
22. Improve Tax and Debt Collection Process 3,000,000
23. Modernize Sales Tax on Accommodations 1,700,000
24. Modernize Admissions Tax and Restore Amenities Exclusion (700,000)
25. Reserve for Pending Finance Legislation (Balance Remaining) (1,080,000)
26. Reduce Franchise Tax Burden on Construction Companies (1,500,000)
27. Department of Revenue Settlement Initiative 110,000,000
28. Disproportionate Share 35,000,000
29. Loss of Estate Tax Revenues for FY 2010-11 (85,000,000)
30. Increase Justice and Public Safety Fees 13,930,670
31. Transfer from the Health and Wellness Trust Fund 5,397,000
32. Transfer Aviation From Department of Commerce to Department of Transportation (500,000)
33. Transfer from Wildlife Resources Commission 3,000,000
34. Divert Funds from Scrap Tire Disposal Account 2,500,000
35. Divert Funds from White Goods Fund 1,200,000
36. Transfer from Mercury Pollution Prevention Fund 2,250,000
37. Transfer from Bladen Lakes Special Fund 150,000
38. Transfer from DACS-N.C. State Fair 1,000,000
39. Transfer from ECU Magnetic Resonance Imaging Lease and Equipment Fund 1,000,000
40. Adjust Transfer from Insurance Regulatory Fund (2,176,454)
41. Transfer from Motorfleét Internal Services Fund 14,000,000
42. Adjustments to Availability: Other Legislation
43. Keeping North Carolina Competitive (S.L. 2010-91,Senate Bill 1171) (8,850,000)
44. Renewable Energy Incentives (House Bill 1829) (700,000)
45. Various Economic Incentives (S.L. 2010-147,House Bill 1973) 830,000
46. Economic Incentives and Alignment Changes (Senate Bill 1215) 0
47. Subtotal Adjustments to Availability 41,751,216

48. Revised General Fund Availability 18,981,762,494
49. Less General Fund Appropriations 18,958,994,212
50. Balance Remaining 22,768,282
SUMMARY:

GENERAL FUND APPROPRIATIONS

2010-11
FISCAL YEAR
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<tr>
<th>FY 2010-11</th>
<th>Legislative Adjustments</th>
<th>Revised Appropriation</th>
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<td>Educated</td>
<td>Recurring</td>
<td>Nonrecurring</td>
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<td>Budget</td>
<td>Adjustments</td>
<td>Adjustments</td>
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<td><strong>Education:</strong></td>
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<td>Community Colleges</td>
<td>1,012,467,778</td>
<td>57,268,183</td>
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<td>Public Education</td>
<td>7,360,833,223</td>
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<td>University System</td>
<td>2,656,552,008</td>
<td>1,550,221</td>
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<td><strong>Total Education</strong></td>
<td>11,029,853,009</td>
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<td>Central Management and Support</td>
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<td>Aging and Adult Services</td>
<td>37,282,029</td>
<td>100,000</td>
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<td>Blind and Deaf / Hard of Hearing Services</td>
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<td>Child Development</td>
<td>269,183,962</td>
<td>(11,334,255)</td>
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<td>Education Services</td>
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<td>17,914,125</td>
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<td>160,515,329</td>
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<td>4,321,028,842</td>
<td>182,409,745</td>
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<td>Correction</td>
<td>1,326,492,230</td>
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<td>Juvenile Justice &amp; Delinquency Prevention</td>
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<td><strong>Total Justice and Public Safety</strong></td>
<td>2,179,933,165</td>
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## Summary of General Fund Appropriations
### 2010 Legislative Session: Fiscal Year 2010-11

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<td>Net Changes</td>
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<td>226,481</td>
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<td>Rural Economic Development Center</td>
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<td>General Assembly</td>
<td>56,584,484</td>
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<td>Lieutenant Governor</td>
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<td>(33,539)</td>
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<td>Revenue</td>
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<td>757,118</td>
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<td>Secretary of State</td>
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<td>(666,886)</td>
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<td>(243,278)</td>
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<td>8,060,088</td>
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<td><strong>983,345</strong></td>
<td><strong>551,742</strong></td>
<td><strong>431,603</strong></td>
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### Summary of General Fund Appropriations
#### 2010 Legislative Session: Fiscal Year 2010-11

<table>
<thead>
<tr>
<th></th>
<th>FY 2010-11</th>
<th>Legislative Adjustments</th>
<th>Revised 2010-11</th>
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<tr>
<td></td>
<td>Certified</td>
<td>Recurring</td>
<td>Nonrecurring</td>
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<td>Budget</td>
<td>Adjustments</td>
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<td><strong>Statewide Reserves and Debt Service:</strong></td>
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<tr>
<td>Debt Service:</td>
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<tr>
<td>Interest / Redemption</td>
<td>707,573,496</td>
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<td><strong>Statewide Reserves:</strong></td>
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<td>Contingency and Emergency Fund</td>
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<td>State Health Plan (S.L. 2009-16)</td>
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<td>Judicial Retirement System Contributions</td>
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<td>Information Technology Funds</td>
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<td>Statewide Administrative Support Reduction</td>
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<td>Convert Contract Employees to State Employees</td>
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<td>Job Development Investment Grants (JDIG)</td>
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<td>(6,600,000)</td>
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<td><strong>Subtotal Statewide Reserves</strong></td>
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<td>(6,600,000)</td>
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<td><strong>Total General Fund for Operations</strong></td>
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<td>(624,408,483)</td>
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<td><strong>Capital Improvements</strong></td>
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<td>Water Resources Development Projects</td>
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<td>Capital Improvements</td>
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<td>12,464,679</td>
<td>(613,235,043)</td>
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EDUCATION
Budget Changes

A. Technical Adjustments

1 Average Daily Membership
   Revises projected increase in ADM for FY 2010-11 to reflect 3,127 fewer students than originally projected. Dollar amount of adjustment includes revisions to all position, dollar, and categorical allotments.

   Total funded ADM for FY 2010-11 is 1,475,668, an increase of 10,754 over FY 2009-10. There was a temporary ADM reduction in FY 2009-10 precipitated by a change in the Kindergarten eligibility age.

2 Average Teacher Salary
   Revises budgeted funding for certified personnel salaries based on actual salary data from December 2009. Adjustment does not reduce any salary paid to certified personnel.

3 Education Lottery Receipts
   Adjusts the receipts budgeted for the Classroom Teachers allotment to reflect an updated distribution between the four Lottery programs, as well as the redirection of $16.8 million in the Lottery Reserve. (S.L. 2010-31, Sec. 5.1)

4 Exceptional Children Headcount
   Adjusts funding previously budgeted for the Children With Disabilities allotment to reflect actual student headcount and does not reduce funding per student. The continuation budget includes anticipated growth based on the projected headcount of children with disabilities. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2010 headcount.
5 Small County Supplemental Funding
Reduces funding to adjust for the expiration of Currituck County’s funding eligibility in FY 2009-10 as well as a surplus of funding needed to fully fund the other eligible counties. The remaining $44.1 million is sufficient to fully fund the 28 eligible counties.

6 Learn and Earn Early College High Schools
Adjusts funding to reflect the delayed opening of one Learn and Earn School scheduled to open in FY 2009-10. S.L. 2009-451 provided funding to open twelve Learn and Earn schools that had been given planning funding in FY 2008-09. Only ten of the twelve planning schools were ready to open in FY 2009-10, but one of them will be ready to open in FY 2010-11. Currently 66 Learn and Earn “Bricks and Mortar” schools are operating in North Carolina.

B. Other Public School Funding Adjustments

7 ADM and BRAC Contingency Reserve
Reduces the Contingency Reserve by 50%. The Reserve is maintained to provide additional support to school systems that experience greater than projected student headcount growth. $2.6 million will remain to support the Reserve.

8 More at Four
Replaces, on a one-time basis, General Fund appropriations for More at Four Pre-kindergarten services provided to TANF-eligible children with Temporary Assistance for Needy Families (TANF) Emergency Contingency Funds. (S.L. 2010-31, Sec. 10.37(s))

9 Instructional Supplies
Reduces the Instructional Supplies allotment by 3.5%. $90.9 million will remain for this purpose.

10 Central Office Administration
Reduces the dollar allotment to LEAs for the salaries and benefits of central office staff by 2.2%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. $107.5 million will remain to support these local staff.
11 Mentoring
Eliminates all State funding for LEA mentoring programs on a nonrecurring basis in FY 2010-11 only. ($9,214,190) NR

12 Limited English Proficiency
Reduces funding for this allotment by 5.0%. $76.5 million will remain available for this allotment. ($4,000,000) R

13 Transportation
Reduces funding for the allotment, which supports the salaries of transportation personnel as well as the maintenance of yellow buses, by approximately 2.4%. $403 million will remain available for this allotment. ($10,000,000) R

14 Child and Family Support Teams
Reduces this allotment by 21.4%. This allotment provides funding for a dedicated social worker and school nurse in 100 schools. $9.2 million will remain available for this allotment. The State Board of Education shall allocate this reduction by eliminating funding to those schools it deems to be implementing the program ineffectively. ($2,500,000) R

15 School Bus Replacement
Eliminates funding for the purchase of new replacement school buses in FY 2010-11. $44 million will remain available to support the extended financing payments required for buses purchased in Fys 2007-10, and an additional $1 million will be available for emergency bus replacement purchases. ($11,900,000) NR

16 North Carolina Virtual Public Schools
Eliminates the direct appropriation for the North Carolina Virtual Public Schools (NCVPS). Instead of being funded through a direct appropriation, NCVPS will be funded via a new funding formula. The new funding formula reduces LEA allotments based on projected LEA enrollment in NCVPS courses, in order to recognize the extent to which "enrollment in e-learning courses affects funding required for other allotments that are based on ADM," as directed by S.L. 2006-66, Section 7.16. NCVPS courses will continue to be available at no cost to all high school students in North Carolina who are enrolled in North Carolina’s public schools, Department of Defense schools, and schools operated by the Bureau of Indian Affairs. (S.L. 2010-31, Sec. 7.4) ($5,574,784) R
17 Tarheel ChalleNGe
Adjusts State support for this program to reflect new Federal matching requirements. The required State funding share for this activity has been adjusted from 40% to 25%. $348,527 of the unneeded State match funding will be reinvested into the National Guard Tuition Assistance Program, which is transferred into the UNC budget in the item "National Guard Tuition Assistance Program Transfer".

18 Eliminate Geometry End of Grade Test
Eliminates funding associated with the discontinued State-required Geometry End of Grade Test.

19 HMCUC Funds Transfer
Transfers some funds from the Historically Minority Colleges and Universities Consortium Closing the Achievement Gap project in the UNC system into the Department of Public Instruction to expand funding of the Dropout Prevention Grant initiative.

20 Connectivity
Reduces funding for the School Connectivity Initiative (SCI) as it is deployed in all LEAs and is in the operations and maintenance phase. This adjustment also includes a $3 million nonrecurring reduction of the cash balance. The recurring cut of $1 million represents a reduction to recurring appropriations of approximately 4.5%, and leaves recurring appropriations at $21.0 million per year. The nonrecurring cut of $3 million reduces initiative funding projected to be unexpended in FY 2009-10.

21 Education Value Added Assessment System (EVAAS)
Provides $250,000 to expand funding for EVAAS licenses that had previously been funded out of reversions and $750,000 to purchase EVAAS Teacher Analysis. (H.B. 1684)

22 Student Diagnostic and Intervention Initiative
Provides recurring funding to extend the Student Diagnostic Pilot program an additional year in the existing 40 pilot schools. Additional funding will expand the pilot program to additional school sites while also supporting the training needed for teachers to properly implement the program.
23 JOBS Commission Schools
Provides funding to support the creation of two school sites in Wake County and Cumberland County recommended by the Joint Legislative Joining Our Businesses and Schools (JOBS) Study Commission. (H.B. 1718/S.B. 1200)

24 North Carolina Science, Math and Technical Education Center
Provides funding to the North Carolina Science, Mathematics and Technology Education Center, Inc. (NCSMTEC) to support interscholastic science competitions. (H.B. 1923)

25 Kids Voting
Provides funding to support continued operation of the Kids Voting program. (H.B. 1924/S.B. 1375)

26 Textbooks
Provides support on a nonrecurring basis for the purchase of replacement textbooks for emergency situations. The State Board of Education shall develop rules and guidelines for the allocation of these funds.

27 Science Olympiad
Provides funds for North Carolina Science Olympiad, a nonprofit organization, to sponsor tournaments and increase the number of schools participating in the program. (H.B. 1815/S.B. 1328)

C. Department of Public Instruction
28 DPI Operating Reduction
Reduces agency operating funds by 15.0%.

29 NC WISE
Reduces the annual appropriation for the North Carolina Window on Student Education (NC WISE), as this project is deployed and is in operations and maintenance phase. As such, its annual budgetary needs are $2 million less than previously budgeted. This item also includes a $10 million nonrecurring reduction of the cash balance. The remaining balance will support the hardware and reporting projects associated with NC WISE.
30 Department of Public Instruction Staffing Efficiencies
Directs the Department of Public Instruction to eliminate 30 positions, up to 20 of which may be positions funded by non-General Fund sources. Any State-funded positions reduced must come from DPI’s Technology Services area. (S.L. 2010-31, Sec. 7.7)

31 Legacy Fund Balance
Eliminates the cash balance for this project. Funds were appropriated on a nonrecurring basis in three consecutive years to enable DPI to bring information technology applications into compliance with the statewide architecture requirements. This project has now been completed. The total appropriation for this purpose was $6 million.

32 Superintendent of Residential Schools for the Deaf and Blind
Provides funding to establish the new position of Superintendent to oversee the operations of the North Carolina School for the Deaf, Eastern North Carolina School for the Deaf, and Governor Morehead School for the Blind. (S.L. 2010-31, Sec. 10.21A)

Budget Changes
($211,771,109)  R
($63,473,202)  NR
Total Position Changes
-9.00
Revised Total Budget
$7,085,588,912
Special Provisions

2010 Session:  SB 897

Department:  Public Education

Section: 7.1
Title:  CHILDREN WITH DISABILITIES
Summary  Provides $3,598.55 per child for children with disabilities to each local education agency (LEA) for the lesser of (i) all children who are identified as children with disabilities or (ii) 12.5% of the LEA's average daily membership (ADM).  This amount reflects all adjustments to headcounts.

Section: 7.2
Title:  FUNDS FOR ACADEMICALLY GIFTED CHILDREN
Summary  Provides $1,192.90 per child for academically and intellectually gifted children for a maximum of 4% of each LEA's allotted ADM for the 2010-11 school year.

Section: 7.3
Title:  STATE FISCAL STABILIZATION FUND APPROPRIATION
Summary  Authorizes the Office of State Budget and Management (OSBM) to adjust the State Public School Fund and the University of North Carolina budget to ensure compliance with the requirements of the American Recovery and Reinvestment Act of 2009.  OSBM is required to first adjust the Classroom Materials/Instructional Supplies/Equipment allotment prior to adjusting any other allotments within the State Public School Fund.

Section: 7.4
Title:  NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS ALLOTMENT FORMULA
Summary  Subsections (a) through (c) implement a new funding formula for North Carolina Virtual Public Schools (NCVPS) that reduces LEA allotments based on each LEA's projected enrollment in NCVPS courses.  Each LEA's allotments will be reduced by 75% of its ADM-equivalent student enrollment in NCVPS, and the money will be transferred to NCVPS.  NCVPS courses will continue to be available at no cost to all public high school students.

Subsection (d) prohibits NCVPS from offering non-high school courses or physical education courses.

Subsection (e) clarifies that the Director of NCVPS shall continue to ensure that course quality standards are met, that all e-learning opportunities offered by State-funded entities to public school students are consolidated under the NCVPS program, and that all courses offered by NCVPS are aligned to the North Carolina Standard Course of Study.

Subsection (f) caps funds for the administration of NCVPS at 15% of funds generated by the funding formula.

(S.L. 2010-123 , Sec. 3.2A, Budget Technical Corrections, amends this provision to clarify that the money generated by the NCVPS formula shall be the only source of State funds available to the State Board for the purposes of funding NCVPS.)
Subsections (a) through (c) consolidate existing responsibilities for More at Four under the Office of Early Learning.

Subsection (d) states the program eligibility requirements, which are unchanged from the prior year.

Subsection (e) restates existing language prohibiting the More at Four program from supplanting funds for classrooms serving four-year-olds as of FY 2005-06.

Subsection (f) requires the Office of Early Learning to implement a new funding model to be implemented in FY 2010-11 that includes a cap on administrative funding.

Subsection (g) details the required elements of the annual evaluation report, which must have a quasi-experimental design comparing More at Four participants against similar non-participants through grade 6, and which must be reported to the Joint Legislative Education Oversight Committee by January 31 of every year.

Subsection (h) expresses the General Assembly intent that the Department of Health and Human Services and the Department of Public Instruction (DPI) authorize the Division of Child Development staff to assume the regulatory functions of More at Four programs administered in private settings. (H.B. 1783/S.B. 1119)

Section: 7.6
Title: LEADERSHIP ACADEMY
Summary: Allows DPI to use up to $200,000 of funds appropriated to support a Leadership Academy that provides professional development to principals and assistant principals.

Section: 7.7
Title: DEPARTMENT OF PUBLIC INSTRUCTION
Summary: Subsection (a) eliminates the requirement that DPI eliminate receipt-supported positions in FY 2010-11.

Subsection (b) requires DPI to review expenditures of federal funds, and, when possible, reallocate these funds to LEAs. DPI must report on these efforts to the Office of the Governor, the chairs of the House of Representatives Committee on Appropriations and the House of Representatives Appropriations Subcommittee on Education, the chairs of the Senate Committee on Appropriations/Base Budget and the Senate Appropriations Committee on Education/Higher Education, and the Office of State Budget and Management no later than January 15, 2011.

Subsection (c) requires DPI to reorganize only after consulting with OSBM and the Fiscal Research Division, and reporting to the Joint Legislative Commission on Governmental Operations.
Requires DPI to work with all member institutions of the Education Cabinet to prioritize the Governor's Ready, Set, Go! Initiative. Items 1 through 3 within Section 7.8.(a) detail the elements of the Ready, Set, Go! Initiative. The Education Cabinet is required to report on its progress towards implementing the Ready, Set, Go! Initiative to the Governor, the Joint Governing Boards, and the Joint Legislative Education Oversight Committee by January 15, 2011.

Subsection (a) repeals Section 7.12.(a) of S.L. 2009-451, Appropriations Act of 2009, as rewritten by Section 3E of S.L. 2009-575, Modify Appropriations Act. This section had limited the transfer of $350,000 of funds appropriated for the Connectivity Initiative to FY 2009-10.

Subsection (b) allows the transfer of $350,000 of funds appropriated for the Connectivity Initiative to the Office of the Governor for education innovation and the education E-learning portal for FY 2010-11 and subsequent fiscal years.

Extends the school calendar pilot program in Wilkes County Schools, allowing Wilkes County Schools to operate a calendar with either 180 instructional days or 1,000 hours of instruction for a second consecutive school year in FY 2010-11. The State Board of Education shall report on this program to the Joint Legislative Education Oversight Committee by March 15, 2011.

Subsection (a) amends G.S. 115C-296.2(d1) to clarify that cash repayment of loans to cover the NBPTS application fee shall commence 12 months following the disbursement of the loan funds, and that the State Education Assistance Authority may forgive loans upon death or permanent disability of the teacher.

Subsection (b) transfers funds in the amount of $3,274,500 from the State Public School Fund to the State Education Assistance Authority for the purposes of funding the loan program.

Subsection (c) requires the Joint Legislative Education Oversight Committee to study a National Board Certification Program for Principals and report its recommendations to the 2011 General Assembly by March 1, 2011.

Requires the Highway Safety Research Center Institute of the University of North Carolina at Chapel Hill to collaborate with DPI and the Governor's Highway Safety Commission to create a standard curriculum to be used for the Driver Education Program. The new curriculum shall be available for implementation beginning with the fall of 2011, and shall be used for all driver education programs funded with State funds.
Section: 7.13
Title: PROTECTION OF THE CLASSROOM WHILE MAXIMIZING FLEXIBILITY

Summary  Subsection (a) amends Section 7.8 of S.L. 2009-451, Appropriations Act of 2009, to require that LEAs reduce spending whenever and wherever appropriate to protect direct classroom services. Administrative and other operating efficiencies must be implemented prior to dismissal of classroom-based personnel. LEAs must also maximize federal funds. Each LEA shall now report to both OSBM and DPI on the reductions taken to meet the "LEA Reduction" made in Item 16 on page F3 of the Conference Report for S.L. 2009-451, Appropriations Act of 2009, as well as an explanation of how administrative efficiencies, federal funds, and attrition have been maximized prior to the dismissal of classroom-based personnel. To the extent that LEAs reduce their spending on career and technical education in order to meet the "LEA Reduction" made in Item 16 on page F3 of the Conference Report for S.L. 2009-451, Appropriations Act of 2009, they must make every effort to reduce spending from the Career Technical Education - State: Program Support Funds before making any reduction to Career Technical Education - State: Months of Employment funds.

Subsection (b) allows local boards of education to implement furloughs in accordance with Section 29.1 of S.L. 2010-31, Appropriations Act of 2010, to manage funding amounts in FY 2010-11.

Section: 7.14
Title: PROBATIONARY TEACHERS

Summary  Amends G.S. 115C-325(c)(5), to change the rules governing consecutive years of service for probationary teachers who are nonrenewed due to decreased funding, decreased enrollment, or a district reorganization. (H.B. 2029)

Section: 7.17
Title: UNIFORM BUDGET FORMAT

Summary  Subsection (a) amends the School Budget and Fiscal Control Act, G.S. 115C-426(c) to clarify that LEAs may use other funds to account for reimbursements, including indirect costs, fees for actual costs, tuition, sales tax revenues distributed using the ad valorem method pursuant to G.S. 105-472(b)(2), sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, funds received for prekindergarten programs, and special programs. In addition, the appropriation or use of fund balance interest income by an LEA shall not be construed as a local current expense appropriation.

Subsection (b) allows any LEA that had not fully complied with the provisions of G.S. 115C-238.29H(b) prior to July 1, 2010 and that is subject to a judgment, court order or binding settlement agreement arising from that noncompliance to make any required payments over a period not to exceed three years.
Section: 7.19
Title: DROPOUT PREVENTION GRANTS
Summary Subsection (a) provides three grants of $500,000 each to Communities in Schools, the North Carolina Congress of Parents and Teachers, and the Greater Winston-Salem Chamber of Commerce Foundation.

Subsection (b) requires the Committee on Dropout Prevention to identify at least three additional recipients of Dropout Prevention Grants that the Committee feels show promise as statewide models for dropout prevention interventions, and report the findings to the Joint Legislative Education Oversight Committee and the Joint Legislative Commission on Dropout Prevention and High School Graduation by March 15, 2011.

Subsections (c) and (d) amend Section 7.13 of S.L. 2009-451, Appropriations Act of 2009, in order to make existing reporting requirements annual events.

Subsections (e) amends Section 7.32.(e) of S.L. 2007-323, 2007 Appropriations Act, as rewritten by Section 7.14.(a) of S.L. 2008-107, Modify Appropriations Act of 2007, in order to eliminate the termination date of the Committee on Dropout Prevention.

Subsection (f) amends Section 7.32.(f)(8) of S.L. 2007-323, 2007 Appropriations Act, as rewritten by Section 35.1 of S.L. 2008-181, Studies Act of 2008, to allow the Joint Legislative Commission on Dropout Prevention and High School Graduation to report annually, and removes language that would have terminated the Commission upon the filing of its final report.

Subsection (g) amends Section 7.32.(c) of S.L. 2007-323, 2007 Appropriations Act, as rewritten by Section 7.14.(a) of S.L. 2008-107, Modify Appropriations Act of 2007, to establish that the terms of the initial appointees of the Committee on Dropout Prevention will expire December 1, 2010, and that subsequent appointees will serve four-year terms. (H.B. 1878/S.B. 1250, H.B. 1861, S.B. 531)

Section: 7.20
Title: UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS
Summary Directs that funds appropriated for UERS shall not revert at the end of FY 2009-10.

Section: 7.21
Title: COOPERATIVE AND INNOVATIVE HIGH SCHOOLS
Summary Subsections (a) and (b) amend G.S. 115C-238.50(e) and G.S. 115C-238.54, respectively, so that five-year career academies fall under the definition of cooperative and innovative high schools.

Subsection (c) amends G.S. 115C-238.50A(3) to establish the State Board of Education as one of the Governing Boards of the Cooperative and Innovative High School Act.

Subsection (d) requires DPI to study the fiscal impacts of the Cooperative and Innovative High School Act, and report results to the Joint Legislative Education Oversight Committee and the Fiscal Research Division by March 15, 2011.

Subsection (e) prohibits the State Board of Education from approving any additional schools under the Cooperative and Innovative High School Act after July 1, 2010, unless the school has received an explicit appropriation from the General Assembly.
Section: 7.22
Title: ELIMINATION OF CERTAIN REPORTS
Summary Subsection (a) amends G.S. 115C-301(g) to eliminate the requirement that DPI report annually on all allotment adjustments and waivers related to class size requirements. All class size requirements in grades 4-12 were eliminated by Section 7.8.(b) of S.L. 2009-451, Appropriations Act of 2009.

Subsection (b) repeals Sections 4 through 6 of S.L. 2007-453, Alternative Teacher Salary Plans/Pilot Prog, eliminating the requirement that DPI report annually on a pilot program authorizing the implementation of alternative teacher salary plans. No LEAs are taking part in the program.

Subsection (c) repeals Section 7.60 of S.L. 2005-276, 2005 Appropriations Act, eliminating the requirement that LEAs report to the State Board of Education by August 31 of each year on the expenditure of supplemental funds for low-wealth counties.

Subsection (d) amends Section 7.61.(b) of S.L. 2005-276, 2005 Appropriations Act, eliminating a report on how LEAs are expending funds from the At-Risk/Alternative Schools allotment and the Improving Student Accountability allotment.

Section: 7.23
Title: DISADVANTAGED STUDENTS SUPPLEMENTAL FUNDING
Summary Requires that the State Board of Education consider the extent to which an LEA's policies or expenditures have contributed to segregation of schools on the basis of race or socioeconomic status in determining whether to approve an LEA's plan for the expenditure of Disadvantaged Students Supplemental Funding.
Subsection (a) states General Assembly intent to implement a funding formula beginning in FY 2011-12 that will provide LEAs with money from which the LEA can pay higher education tuition costs for courses taken by the LEA’s high school students.

Subsection (b) states General Assembly intent to eliminate the tuition waiver for high school students taking courses at community colleges. The waiver would still apply for students in cooperative innovative high school programs established pursuant to Part 9 of Article 16 of Chapter 115C of the General Statutes.

Subsections (c), (d), and (e) explain where the money for the funding formula will come from. Subsection (c) is the part that will come from the North Carolina Community College System General Fund appropriation (an amount equal to the number of FTE high school students for whom tuition is required multiplied by the per capita budgeted receipts for community college curriculum instruction). Subsection (d) is the General Fund appropriation for Learn and Earn Online, currently used to reimburse the UNCG iSchool for Learn and Earn Online courses provided. Subsection (e) is the part that will come from the State Public School Fund (an amount equal the number of FTE high school students for whom tuition is required multiplied by the difference between the per capita budgeted receipts for community college curriculum instruction and the in-State tuition amount per FTE).

Subsection (f) says the allotment will be distributed based on LEA usage of higher education courses.

Subsection (g) states that this money would only be available for paying higher education tuitions, and will not be available for any other purposes.

Subsection (h) applies the restrictions currently in place for dual enrollment and Huskins courses provided to high school students through the North Carolina Community College System to Learn and Earn Online courses as well. This change would not affect the course offerings at Learn and Earn High Schools and takes effect in FY 2010-11.

(S.L. 2010-123, 3.1, Budget Technical Corrections, amends this provision to clarify that all Learn and Earn Online courses are subject to the changes in Section 7.24.(h) of S.L. 2010-31, Appropriations Act of 2010.)

Section: 7.25
Title: ENVIRONMENTAL ENGINEER/SUPPORT SERVICES DIVISION
Summary Allows the State Board of Education to use up to $200,000 of funds available to provide an environmental engineer in the DPI Support Services Division. (H.B. 1725/S.B. 1142)

Section: 7.30
Title: COMPONENTS OF THE TESTING PROGRAM
Summary Amends G.S. 115C-174.11(a) to allow standardized tests in first and second grade if such tests are required to receive federal grants.
Section: 7.31
Title:  ADDITIONAL FEDERAL FUNDS FOR EDUCATION
Summary  Subsection (a) appropriates federal funds for LEAs that are not specified in this act. To the extent that federal laws and regulations permit, the Director of the Budget shall use these funds to (1) eliminate the LEA Adjustment in its entirety, (2) eliminate reductions to the State Public School Fund provided for in S.L. 2010-31, Appropriations Act of 2010, (3) eliminate all reductions to the State Public School Fund provided for in S.L. 2009-451, Appropriations Act of 2009, and (4) for expansion items.

Subsection (b) prohibits the Director of the Budget from reducing any General Fund appropriations to DPI or to LEAs as a result of the receipt of any additional federal funds appropriated in this section.

2010 Session:  SB 1202

Department:  Public Education

Section: 3.1
Title:  TECHNICAL CHANGE: HIGHER EDUCATION COURSES FOR HIGH SCHOOL STUDENTS
Summary  Amends S.L. 2010-31, 7.24.(h), Appropriations Act of 2010, to clarify that the restrictions currently in place for dual enrollment and Huskins courses provided to high school students through the North Carolina Community College System apply to all Learn and Earn Online courses.

Section: 3.2
Title:  BUDGET CHANGE: UNIFORM BUDGET FORMAT
Summary  States that nothing in Section 7.17 of S.L. 2010-31, Appropriations Act of 2010, shall be construed to invalidate any budget resolution or budget amendment approved by an LEA regarding the appropriation or transfer of revenue to any other fund that was approved for use by DPI and the Local Government Commission.

Section: 3.2A
Title:  TECHNICAL CHANGE: NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS ALLOTMENT FORMULA
Summary  Amends S.L. 2010-31, 7.4.(b), Appropriations Act of 2010, to clarify that the funds provided through the North Carolina Virtual Public Schools Allotment Formula shall be the only source of State funds available to the State Board of Education for the purposes of funding NCVPS.
Budget Changes

A. Technical Adjustments

33 Fully Fund Enrollment Growth

Provides funds to fully fund enrollment growth. According to the final enrollment for FY 2009-10, enrollment has increased by 15.3% (33,013 full-time equivalents or FTE) above the 2009-10 adjusted budgeted enrollment of 213,472. This increase brings FY 2010-11 budgeted enrollment to 246,485.

This funding is in addition to the $41,126,850 in the continuation budget for FY 2010-11 enrollment growth, for a total of $122,172,317 in enrollment growth funding. (S.B. 1125/H.B. 1939)

B. State Aid Adjustments

34 Management Flexibility Reduction

Reduces funds in the State Aid budget, bringing the total management flexibility reduction for FY 2010-11 to $29 million. The State Board of Community Colleges shall distribute the flexibility reduction, accounting for the unique needs of each college. Each college reduced shall have the flexibility to adjust its budget to implement this reduction, but shall not impact those activities directly involved in retraining displaced workers. (S.L. 2010-31, Sec. 8.7)

35 Tuition Increase

Increases curriculum tuition from $50 to $56.50 for residents ($6.50 increase) and from $241.30 to $248.50 for nonresidents ($7.20 increase). Tuition for full-time resident students will increase by a maximum of $208 per year, from $1,600 to $1,808.
36 Overrealized Tuition Receipts
Increases the amount budgeted for tuition receipts to more accurately reflect anticipated receipts. Given recent enrollment growth trends, it is anticipated that enrollment in FY 2010-11 will increase by more than the budgeted amount.

37 One-time Increase in Federal Literacy Receipts
Increases the amount budgeted for federal literacy receipts, due to a one-time increase, and takes a corresponding one-time reduction in State funding.

38 Restore Small Business Center Funding
Restores the reduction made to the Small Business Center allotment in 2009. This funding will be added to each colleges' base allocation. With this restoration, the total funding available for this program will be $5,756,853. (S.B. 1414, H.B. 1721; S.L. 2010-31, Sec. 8.7)

39 Minority Male Mentoring
Provides funds to assist Minority Male Mentoring programs at community colleges. These programs provide such activities as academic and personal counseling, drug intervention, and personal growth and development. These funds will be distributed through a competitive application process. (H.B. 156)
40 Restore Funding for Prisoner Education

Restores substantial funding to the prisoner education program. In 2009, the prison education program underwent a continuation review. Using FY 2007-08 FTE estimates, $32.9 million was eliminated from the program and $32.9 million was appropriated in non-recurring funds for FY 2009-10. When FY 2008-09 numbers were finalized, it was estimated that $35,949,015 was expended on prisoner FTE; therefore, $3.0 million remains in the continuation budget for this program.

Funding is not restored to fund prison FTE in federal prisons, local jails, or programs not related to job skills or basic skills education. In FY 2008-09, a total of 587 FTE were served in these categories, resulting in a reduction of $2,741,189.

To increase efficiency an additional $9.2 million was reduced, for a total restoration of $24 million. First priority for use of these funds shall be to restore the FTE for basic skills courses to the FY 2008-09 level. Funds not used for this purpose may be used for continuing education and curriculum courses related to job skills training. (S.L. 2010-31, Sec. 8.3 and 8.4)

41 Equipment

Provides $33 million for the purchase of equipment for education and research in health, science, engineering, and technology programs through the issuance of certificates of participation. This item is included in Section D of the Capital Section of this report. (S.L. 2010-31, Sec. 30.7 and Sec. 30.11(b))

C. System Office Adjustments

42 Move Position to Receipt Support

Reduces appropriations by shifting one Education Consultant position entirely to proprietary school receipts. This position oversees the activities that generate these receipts.

43 Reduce State Board Reserve

Reduces funding for the State Board Reserve by 24% from $660,000 to $500,000.

44 Reduce Advertising Budget

Reduces funds for advertising, due to unprecedented enrollment growth. The remaining $100,000 shall be used to target advertising to underserved populations.
45 **Reduce System Office Operating Budget**

Reduces the System Office operating budget with specific reductions to be identified by the System Office. Reductions should focus on travel, printing, postage, and registration fees.

46 **Eliminate Positions**

Eliminates 7 positions in the Community College System Office. The duties of these positions shall be eliminated or absorbed by other System Office employees. The positions are:

- Education Program Director #60088191 (Bionetwork) - $94,250 salary and $22,045 benefits.
- Technology Support Analyst #60088065 (Information Technology) - $54,724 salary and $14,867 benefits.
- Information Technology Manager #60088013 (Information Technology) - $98,976 salary and $22,903 benefits.
- Education Program Director II #60088192 (Workforce Development and Continuing Education) - $102,750 salary and $23,588 benefits.
- Television Production Asst III #60088049 (Distance Learning) - $35,497 salary and $11,375 benefits.
- Business Officer -C #60088111 (Facilities and Administration) - $34,283 salary and $11,155 benefits.
- Office Assistant IV #60088142 (Student Services) - $36,966 salary and $11,642 benefits.

### Budget Changes

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce System Office Operating Budget</td>
<td>($158,764)</td>
</tr>
<tr>
<td>Eliminate Positions</td>
<td>($575,022)</td>
</tr>
</tbody>
</table>

| Total Position Changes                  | -7.75    |

| Revised Total Budget                    | $1,055,135,961 |

| Community Colleges                     | Page F - 18 |
Special Provisions

2010 Session: SB 897

Department: Community Colleges

Section: 8.1
Title: CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS
Summary: Clarifies that up to $1.25 million of the funds appropriated for the College Information System may be carried forward each year of the biennium. These funds are to be used to purchase periodic system upgrades.

Section: 8.2
Title: STATE AID BUDGET FLEXIBILITY
Summary: Amends G.S. 115D-31 to codify the current budget flexibility allowed to community colleges. This will ensure that that flexibility continues when the Community College System budget structure is modified to better show program budgets.

Section: 8.3
Title: EDUCATION FOR PRISON INMATES
Summary: Restores funding to inmate education, which was subject to continuation review in FY 2009-10. The provision:
1. Specifies that funding is not restored for prison FTE in federal prisons, local jails, or programs not related to job skills or basic skills education.
2. Specifies that first priority for the funds will be to fully restore the FTE for basic skills courses to the FY 2008-09 levels. Funds not used for this purpose may be used for continuing education and curriculum courses related to job skills training.
3. Requires that the Department of Correction and the NC Community College System are to report to the 2011 General Assembly on a number of items specified in the provision.
4. Amends G.S. 115D-5(c) to provide that all courses approved for State prison inmates must be tied to clearly identified job skills, transition needs, or both.

Section: 8.4
Title: TUITION WAIVERS
Summary: Makes technical, clarifying, and formatting changes to G.S. 115D-5(b), including reinstating the prisoner tuition waiver. The provision also requires NCCCS to report to the 2011 General Assembly on tuition waived for law enforcement officers, and requires NCCCS and Fiscal Research to conduct a comprehensive study of tuition waivers and report their findings to the 2011 General Assembly.

Section: 8.5
Title: COMMUNITY COLLEGE FINANCIAL AID LOANS
Summary: Moves $50 million from classroom instruction to student services to ensure that colleges have adequate funds and resources necessary to administer and provide financial aid services to all students, as recommended by the Joint Select Committee on State-funded Student Financial Aid. This provision also requires that all colleges participate in the federal student loan program. (S.B. 1322/H.B. 1883)
Section: 8.6
Title: TUITION REFUNDS
Summary Restates the existing community college tuition refund policy, avoiding a new policy scheduled to take effect in the NC Administrative Code on August 1 which the System Office is unable to implement.

Section: 8.7
Title: MANAGEMENT FLEXIBILITY REDUCTION/COMMUNITY COLLEGES
Summary Amends existing management flexibility language to prohibit colleges from reducing funding for Small Business Centers.

Section: 8.8
Title: CATAWBA VALLEY COMMUNITY COLLEGE MANUFACTURING SOLUTIONS CENTER
Summary Amends G.S. 115D-67.2(b)(7) to change the name of the Hosiery Technology Center to the Manufacturing Solutions Center. This provision also permits the Center to retain all fees collected from the testing of products.

Section: 8.9
Title: COMMUNITY COLLEGE EQUIPMENT FUNDS
Summary Specifies that up to $250,000 of the existing equipment allocation may be used for virtual 3-D equipment.

Section: 8.10
Title: BASIC SKILLS PLUS
Summary Provides the State Board of Community Colleges the flexibility to create a Basic Skills Plus program, using existing basic skills funding. The Basic Skills Plus program would provide employability skills, job-specific occupational and/or technical skills, and developmental education instruction free of charge to Basic Skills students concurrently pursuing a high school diploma or equivalent certificate at a community college. (H.B. 1954)

Section: 8.11
Title: MULTICAMPUS FUNDS
Summary Directs that the State Board not approve any additional multicampus centers without identified recurring sources of funding.
Budget Changes

A. Base Budget Adjustments

47 Management Flexibility Reduction  ($70,000,000)  R
Mandates a management flexibility reduction for the UNC operating budget with a priority on non-teaching related budget cuts. This reduction is in addition to the $100 million management flexibility reduction authorized for the FY 2010-11 base budget. (S.L. 2010-31, Sec. 9.13; S.L. 2010-123, Sec. 3.4)

48 Repeal of Nonresident Athletic Full Scholarship Tuition Waiver  ($9,432,978)  R
Repeals the reimbursement to UNC institutions for their loss of revenue due to their compliance with G.S. 116-143.6 that grants resident tuition to nonresident student athletes on full scholarships. (H.B. 83/S.B. 1034; S.L. 2010-31, Sec. 9.25)

49 HMCUC Funds Transfer  ($527,212)  R
Abolishes the Historically Minority Colleges and Universities Consortium Closing the Achievement Gap project and transfers $290,683 of the savings to the Department of Public Instruction for the Dropout Prevention Grant initiative.

50 UNC Advertising Reduced  ($2,500,000)  R
Reduces the General Fund advertising budgets of UNC campuses by 24%. The campuses spent $10.6 million from the General Fund and $13.2 million from institutional trust funds on advertising in FY 2008-09.
51 **Distance Education Reserve Eliminated**
Eliminates the remaining balance of a $1.93 million reserve appropriated in 1996 for distance learning efforts. The expansion of distance learning is now funded by the enrollment growth model and by reserves for UNC Online and 2+2 efforts. ($651,483) R

52 **UNC-TV Utilities Reduction**
Reduces the $1.8 million UNC-TV utilities budget due to savings from the station's conversion from analog to digital in June 2009. ($410,863) R

53 **ECU MRI Account Transferred**
Transfers $1 million from magnetic resonance imaging (MRI) lease and equipment fund [Budget Code 06067, Fund Code 0142] at East Carolina University Brody School of Medicine to the General Fund. (S.L. 2010-31, Sec. 2.2(j); S.L. 2010-123, Sec. 1.2(c))

54 **Aid to UNC Hospitals Reduced**
Reduces the $44 million annual appropriation to UNC Hospitals due to the entity's $501.1 million in unrestricted reserves. ($8,000,000) NR

55 **Professional Development Grants Eliminated**
Eliminates grants to Salem College for summer professional development workshops for teachers and to Wake Forest University for their Master Teacher Fellows graduate program. ($63,635) R

56 **Enrollment Growth**
Increases the UNC system enrollment growth funding in the FY 2010-11 base budget due to projected increase of 441 FTE over previous estimates. This funding is in addition to the $53,432,226 for 4,485 FTE included in the FY 2010-11 base budget. $5,636,814 R

57 **Tuition Repeal**
Repeals the FY 2010-11 legislative tuition rates enacted in the 2009 legislative session and restores the associated appropriation reduction. (S.L. 2010-31, Sec. 9.20) $34,776,301 R
58 Need-Based Financial Aid

Increases UNC Need-Based Financial Aid to account for 1) funding 4,600 additional students that qualify for assistance and inflationary increases for previously funded students ($22.85 million) and 2) restoring need-based aid that was nonrecurring in FY 2009-10 ($12 million). This General Fund appropriation plus lottery receipts of $26,661,046 equals the additional $34,856,563 needed in FY 2010-11 for UNC need-based aid. (S.L. 2010-31, Sec. 5.1(f))

59 Building Reserves Restored

Restores most of the building reserves cut in the 2009 Session. These reserves pay for the operating costs of 40 new or renovated buildings completed in FY 2009-11. The funds are for the housekeeping, maintenance, and security requirements for the added building square footage. (S.L. 2010-31, Sec. 9.27)

60 UNC High School Funding Restored

Restores base budget cuts made in FY 2009-10 to the two high school programs in the UNC system. The North Carolina School of Science and Math will receive $80,851 for lab and educational supplies and the University of North Carolina School of the Arts will receive $201,165 for cost-of-living increases in their residential high school.

61 University Cancer Research Fund

Adjusts the continuation budget for the University Cancer Research Fund to account for a decline in revenues from the tax on tobacco products other than cigarettes. This adjustment maintains the legislative commitment of $50 million a year invested in this fund. With this adjustment, the General Fund appropriation will be $16,020,000.

62 ECU Dental School Operations

Continues the phase-in of funding for the additional faculty and operating needs of the new School of Dentistry at East Carolina University that will open with 50 students in the Fall of 2011. To date, $5.5 million has been appropriated for the school’s operating budget. (H.B. 1925/S.B. 1350, H.B. 240/S.B. 561; S.L. 2010-31, Sec. 9.18)
63 **Energy Production Infrastructure Center (EPIC)**
Completes the staffing and operational needs of the Energy Production Infrastructure Center (EPIC) opening at UNC-Charlotte in the Fall of 2011. These funds will enable the hiring of research faculty in electrical power, power system infrastructure, and power plant engineering. These funds are in addition to the $2 million appropriated in 2009. (H.B. 1551)

64 **ASU College of Health Sciences and Allied Professions**
Funds the operating and staffing needs of the newly established College of Health Sciences and Allied Professions at Appalachian State University. (H.B. 1543)

65 **NC A&T/UNC-G Joint School of Nanoscience and Nanotechnology**
Continues the phase-in of faculty and staff for the NC A&T/UNC-G Joint School of Nanoscience and Nanotechnology located at the Gateway University Research Park in Greensboro. The program will conduct research in areas such as drug design and delivery, nanobioengineering, and genetic screening. The funds will be used to hire 4 additional faculty, 1 technician, 2 post doc positions, 1 staff scientist, and 15 additional graduate student positions. There has been $3.9 million appropriated to date for the operating budget for this program. (H.B. 1819/S.B. 1313, H.B. 317/S.B. 542)

66 **NC A&T State University College of Engineering**
Provides funds to North Carolina A&T State University's College of Engineering to strengthen its research profiles in the three targeted areas of energy, network security, and aviation safety. The funds will enable the school to hire 6 additional faculty, 2 lab technicians, an industrial extension officer, and a research associate. Funds will also be used to provide startup laboratory resources for new faculty members as well as for matching commitments for new research proposals. (H.B. 1922/S.B. 1316)
67 NC State University College of Engineering
Provides funds to enable faculty hiring in the areas of health systems, energy and environmental systems, and advanced materials and engineering. A portion of the funds may be used to provide matching support to hire research faculty for the recently awarded US Department of Energy Modeling and Simulation for Nuclear Reactors Energy Innovation Hub as well as the NSF Engineering Research Center for Distribution and Management of Renewable Energy Sources (FREEDM). (H.B. 1539)

68 Distinguished Professor Endowment Fund
Increases the Distinguished Professor Endowment Fund to reduce the backlog of 66 professorships awaiting State matching funds. The Fund has an annual base budget appropriation of $8 million.

69 Institute for Emerging Issues Fellows Program
Funds an expansion of the Fellows program at the Institute for Emerging Issues at North Carolina State University. Faculty and student Fellows will apply their expertise to the State's current public policy issues such as job growth and economic development.

70 CASTLE
Continues State support for the Center for the Acquisition of Spoken Language through Listening Enrichment (CASTLE) at UNC-Chapel Hill. The funds will be used to 1) train teachers and therapists to work with deaf preschool-age children with cochlear implants and 2) provide oral preschool classes to these children. The program has received nonrecurring appropriations annually since 2005. (H.B. 1889/S.B. 1268, H.B. 24/S.B. 61)

71 Coastal Wave Energy Research
Funds research, design, and construction of devices to capture the energy of ocean waves. The research will be conducted by a consortium that includes the University of North Carolina Coastal Studies Institute and the Colleges of Engineering at North Carolina State University, North Carolina Agricultural and Technical State University, and the University of North Carolina Charlotte. (S.L. 2010-31, Sec. 9.10)
72 Veterinary Medicine Clinical Teaching and Research Fund
Continues State funding for the North Carolina State University College of Veterinary Medicine Clinical Teaching and Research Fund. This fund was created in 2007 to allow advanced diagnostic and treatment options for animals where a) owner financing of such options are limited, b) significant instructional value exists, or c) the diagnostic and treatment options have the potential of adding significantly to the core knowledge in the relevant clinical area.

73 Aid to Private College Students
Increases funding to the Legislative Tuition Grant ($2,713,176) and the State Contractual Scholarship Fund ($1,838,588) for a 2.9% growth in enrollment in FY 2010-11.

74 National Guard Tuition Assistance Program Transfer
Transfers the National Guard Tuition Assistance Program from the Department of Crime Control and Public Safety (CCPS) to the North Carolina State Education Assistance Authority (SEAA). CCPS transfers $1,514,288 from their budget to SEAA for the program. Another $348,527 is transferred into the program from a cut in Tarheel Challenge funds. SEAA may use $50,000 of the funds for program administration. (S.L. 2010-31, Sec. 17.3)

75 NC Research Campus at Kannapolis
Provides funding to hire researchers and to provide equipment and supplies for University personnel working at the NC Research Campus in Kannapolis. Seven UNC-system campuses are involved in collaborative research at the Campus to bring new employers and jobs to the State. (H.B. 1569)

Budget Changes
$1,550,221

Total Position Changes
382.10

Revised Total Budget
$2,666,935,206
Special Provisions

2010 Session: SB 897

Department: UNC System

Section: 9.1
Title: REPEAL ESCHEAT FUND APPROPRIATION FOR MILLENNIUM TEACHING SCHOLARSHIP LOAN PROGRAM
Summary: Removes funding for the Millennium Teaching Scholarship Loan Program in FY 2010-11 because a carryforward of previous appropriations from the Escheat Fund are sufficient to cover pledged scholarships at ECSU, FSU, and WSSU.

Section: 9.2
Title: STUDY FINANCIAL AID CONSOLIDATION
Summary: Creates a staff working group to study the consolidation of need-based aid programs and the consolidation of forgivable loans for service programs. The group is to report to the Joint Select Committee on State Funded Student Financial Aid on October 1, 2010. (H.B. 1882/S.B. 1324)

Section: 9.3
Title: COORDINATE THE REPORT DUE DATES FOR VARIOUS TEACHER EDUCATION REPORTS
Summary: Sets an April 15 due date on five annual reports on teacher education topics that are submitted to the Joint Legislative Education Oversight Committee. (H.B. 1466)

Section: 9.4
Title: ELIMINATE BIENNIAL DISTANCE EDUCATION REPORTS
Summary: Eliminates a report from the UNC Board of Governors on the cost of distance education programs. Tracking of these expenses remains in place and information can be provided upon request.

Section: 9.5
Title: REPEAL DUPLICATE STUDY/ STATE FUNDED STUDENT FINANCIAL AID
Summary: Deletes obsolete study committee language due to the formation of the Joint Select Committee on State Funded Student Financial Aid.

Section: 9.6
Title: PERMANENT TRANSFER OF FUNDING TO ROANOKE ISLAND COMMISSION FOR PERFORMING ARTS
Summary: Makes permanent the 2009 transfer of funding from the UNC School of the Arts to the Department of Cultural Resources for the Summer Institute on Roanoke Island. The fund balance for this program in FY 2009-10 was $415,838. The use of these funds by the Roanoke Island Commission is expanded to include the purchase of equipment.
Section: 9.7
Title: REVIEW OF UNC SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM) PROGRAMS
Summary Directs the UNC General Administration to compile a list of the STEM programs in the UNC system. Also instructs DPI to survey math and science teachers about their attendance at UNC Pre-College or Summer Ventures programs. A report to the Office of State Budget and Management and the Fiscal Research Division is due by February 15, 2011.

Section: 9.8
Title: TRANSFER OF A+ SCHOOLS FROM UNC-GREENSBORO TO DEPARTMENT OF CULTURAL RESOURCES
Summary Moves the A+ Schools program and its $58,638 budget from UNC-Greensboro to the Department of Cultural Resources.

Section: 9.9
Title: COASTAL DEMONSTRATION WIND TURBINES
Summary Extends the project deadline for the wind turbine project by 16 months, requires the contracting parties to come up with a plan for reclamation/ decommissioning of the project upon completion of its economic life, and allows the third party utility contracting for the project to recover its reasonable and prudent costs should the wind turbines be unreasonably delayed or abandoned prior to completion. The cost recovered must be adjusted by any salvage value received. (S.L. 2010-123, Sec. 3.3, Budget Technical Corrections, amends this provision to correct a drafting error by striking the words "under this Article" in the last sentence in Section 9.14(c).)

Section: 9.10
Title: COASTAL WAVE ENERGY RESEARCH AND PROTOTYPE PROJECT
Summary States that a consortium of UNC schools (NCSU, UNCC, & NCA&T) and the Coastal Studies Institute will do research in tidal, wave, and other ocean-based sources of alternative energy and construct a prototype generator to capture energy from ocean waves. Directs the Department of Environment and Natural Resources to expedite permitting and waive permit application fees. Directs State Property Office to expedite and grant all easements and use agreements required for construction of facilities without cost.

Section: 9.11
Title: UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM
Summary Adds the UNC-Chapel Hill Chancellor to the Board of Directors of the UNC Health Care System. Allows the UNC-CH Chancellor to serve as Chair of the Board.

Section: 9.12
Title: UNIVERSITY CANCER RESEARCH FUND
Summary Substitutes the Chancellor of UNC-Chapel Hill for the UNC system President on the five-member Cancer Research Fund Committee. The provision makes the UNC-CH Chancellor the chair of this Committee.
Section: 9.13  
Title: UNIVERSITY MANAGEMENT FLEXIBILITY REDUCTION  
Summary: Allows UNC campuses to seek tuition increases of up to $750 from the UNC President in order to raise revenue to cover the budget shortfall produced by management flexibility reductions. At least twenty percent of the additional tuition must be used for need-based financial aid. (S.L.2010-123, Sec. 3.4, Budget Technical Corrections, amends this provision to allow the tuition increase to be implemented over the 2010-11 and the 2011-12 academic years and to allow tuition revenues to be used to offset a potential 1% budget reduction due to the State’s failure to receive FMAP funds and to meet reversion requirements.)

Section: 9.14  
Title: INSTITUTE FOR OUTDOOR DRAMA  
Summary: Transfers the Institute for Outdoor Drama from UNC-Chapel Hill to East Carolina University. $150,000 is being transferred from the entire UNC system budget to ECU to fund the program in FY 2010-11. The program must be entirely receipt-supported in FY 2011-12.

Section: 9.15  
Title: RECRUITMENT OF PHARMACY STUDENTS  
Summary: Requires UNC-Chapel Hill to collaborate with UNC-Asheville (UNC-A) and Elizabeth City State University (ECSU) regarding pharmacy student recruitment. The UNC system must provide $44,000 in FY 2010-11 to UNC-A and ECSU for recruitment and academic support for their pharmacy students.

Section: 9.16  
Title: SUCCESS NC REPORT  
Summary: Requires UNC and Community College officials to report to the Joint Legislative Education Oversight Committee by December 1, 2010 about the progress of the Success NC program to increase the number of North Carolinians with a college degree or occupational certificate.

Section: 9.18  
Title: ECU DENTAL SCHOOL FUNDS/CONTINUING STATE FINANCIAL SUPPORT TO HELP SECURE ACCREDITATION  
Summary: States that the General Assembly intends to fund an additional $5 million in operating funds for the ECU Dental School in FYs 2011-13. Full funding of the school is a key component of accreditation. (H.B. 1925/S.B. 1350, H.B. 240/S.B. 561)

Section: 9.19  
Title: TRANSFER SURPLUS IN LEGISLATIVE TUITION GRANTS AND STATE GRANTS TO STUDENTS AT CERTAIN PRIVATE INSTITUTIONS TO CONTRACTUAL SCHOLARSHIP FUND  
Summary: Transfers to the State Contractual Scholarship Fund those funds remaining in the account for the Legislative Tuition Grant and grants to students at two religious based colleges after all eligible students receive their $1,850 awards.

Section: 9.20  
Title: CAMPUS INITIATED TUITION INCREASES/TWENTY-FIVE PERCENT FOR STUDENT FINANCIAL AID  
Summary: Repeals the prohibition on campuses raising tuition on resident students in FY 2010-11. If a campus increases tuition in FY 2010-11, then 25% must be used for need-based financial aid.
Section: 9.22
Title: UNC ENROLLMENT GROWTH
Summary: Instructs the UNC Board of Governors to consider State economic conditions and General Fund availability when proposing enrollment growth for the FY 2011-13 fiscal biennium.

Section: 9.24
Title: NCSU/RESTORE MASTER GARDENER FUNDS
Summary: Requires North Carolina State University to restore $48,878 in volunteer paid receipts that reverted from the Master Gardener account in FY 2008-09. (H.B. 1978)

Section: 9.25
Title: ELIMINATE IN-STATE TUITION FOR NON-RESIDENT ATHLETIC SCHOLARSHIPS
Summary: Repeals the in-state classification of nonresident students on full athletic scholarships. (H.B. 83/S.B. 1034)

Section: 9.26
Title: AMEND TUITION WAIVER
Summary: Increases the maximum age from 23 to 24 for a tuition waiver for children of law enforcement officers, firemen, and rescue squad workers injured in the line of duty. Also changes the tuition waiver limit from 48 months to 54 months. The maximum age for a tuition waiver for foster children is also changed from 23 to 24 years old.

Section: 9.27
Title: UNC BUILDING RESERVE/ALLOCATION OF FUNDS AMONG CONSTITUENT INSTITUTIONS AND UNC AFFILIATED INSTITUTIONS
Summary: Lists the building reserves for 40 projects by institution and amount for FY 2010-11.

2010 Session: SB 1202

Department: UNC System

Section: 3.3
Title: TECHNICAL CHANGE: COASTAL DEMONSTRATION WIND TURBINE
Summary: Amends S.L. 2010-31, 9.9, Appropriations Act of 2010, to correct a drafting error by striking the words "under this Article" in the last sentence in Section 9.14(c.)

Section: 3.4
Title: TECHNICAL CHANGE: UNIVERSITY MANAGEMENT FLEXIBILITY REDUCTION
Summary: Amends S.L. 2010-31, 9.13, Appropriations Act of 2010, to allow the tuition increase of up to $750 to be implemented over the 2010-11 and the 2011-12 academic years and to allow tuition revenues to be used to offset a potential 1% budget reduction due to the state's failure to receive FMAP funds and to meet reversion requirements.

Title: TECHNICAL CHANGE: UNC/FUNDS TO COMPLETE NC EAST PROJECT

HEALTH & HUMAN SERVICES
## Budget Changes

### (1.0) Division of Child Development

1. **Equipment, Travel and Supplies**  
   Reduces the funding within the operations budget. This reduction holds the Division to its FY 2009-10 spending level for operations.  
   - Decrease: $(261,518) \text{ R}

2. **Vacant Positions**  
   Eliminates two vacant positions within the Division of Child Development. The positions to be eliminated are Administrative Assistant I budgeted at $31,564 and an Administrative Officer III budgeted at $41,173. These positions have been vacant longer than six months.  
   - Decrease: $(72,737) \text{ R}

3. **Child Care Subsidy**  
   Replaces State funding for child care subsidy with Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund receipts for FY 2010-11.  
   - Decrease: $(23,625,329) \text{ NR}

4. **Electronic Payment System**  
   Reduces funds available within the Division of Child Development in anticipation of saving money related to better management and tracking of child care subsidy expenditures. The new system will reduce expenditures associated with fraudulent and inaccurate payments.  
   - Decrease: $(6,000,000) \text{ R}

5. **Smart Start**  
   Reduces funding for the North Carolina Partnership for Children, Inc. This is a 2.5% reduction to Smart Start, leaving a balance of $188 million. (S.L. 2010-31, Sec. 10.3)  
   - Decrease: $(5,000,000) \text{ R}

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

Health and Human Services
6 **Vacant Position**  
Reduces funding for a vacant position within the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. This position is a Mental Health Program Administrator II and has been vacant for one year. This position is budgeted at $84,864 and the work location is Raleigh.

7 **Division Management Funds**  
Reduces unobligated funding available at the Division's discretion for one-time needs of community providers or LME system needs. The total includes $1,169,355 for mental health, $3,398,534 for developmental disabilities, and $2,612,918 for substance abuse services. These funds have historically been spent to address specific one-time needs; these funds are not allocated to LMEs for service provision.

8 **Convert Whitaker School to a PRTF**  
Reduces State funds for the Whitaker School; the program will become a Psychiatric Residential Treatment Facility in which services are Medicaid reimbursable.

9 **Local In-Patient Bed Capacity**  
Increases funds available for the three-way contracts to purchase local hospital bed capacity for crisis response within communities. These funds will support additional community hospital beds, bringing the total funding to $29 million annually. (H.B. 1796/S.B. 1310, S.L. 2010-31, Sec. 10.6)

10 **Training in Facilities**  
Increases funds available for training direct care staff and front line leaders in patient care. Training will include medication administration, therapeutic communication, clinical and legal aspects of documentation and cultural awareness.

11 **Community Service Funds**  
Provides funding for community services administered through Local Management Entities. This funding fully restores the mental health, developmental disabilities, and substance abuse services funding reduced for FY 2010-11. This amount includes $30,559,012 of funds transferred from Department of Public Instruction's Office of Early Learning.

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Health and Human Services
12 Leadership Academy
Provides funds for a Mental Health Leadership Academy for training for Mental Health managers, finance/budget officers, and other leaders within Local Management Entities. (H.B. 1794/S.B. 1318)

13 Outreach and Support Intervention Services (OASIS) Program
Provides bridge funding and ongoing support for the OASIS Program within the UNC School of Medicine, Department of Psychiatry.

(3.0) Division of Central Management and Support

14 Key Program
Reduces funding available for Key Program rental subsidies. The Key Program provides rental assistance for disabled persons in targeted Low-Income Housing Tax Credit (LIHTC) units. Approximately 187 rental units will not be completed during FY 2010-11, thereby reducing projected requirements for subsidies.

15 Information Technology Services
Reduces recurring funding within the Division of Information Resource Management for ITS telecommunication data services ($300,564), computer/data processing ($286,597), and ITS managed local area network services ($350,000). Transitioned CSE programs, effective July 1, 2010, will assume responsibility for ITS charges for telecommunications services. Remaining reductions reflect ITS rate reductions and decreased mainframe use as new applications come online.

16 Over-Realized Receipts
Reduces funding with the Controller's Office. This reduction will be offset by budgeting additional receipts regularly received but not currently budgeted.

17 CARE-LINE
Reduces the hours of operation for the Department of Health and Human Services CARE LINE to regular business hours, and transfers after-hour calls to the Martin County Call Center. Approximately 20% of calls are presently received after regular business hours.
18 **Equipment, Travel and Supplies**  
Reduces funding for equipment, travel, and supplies within the Division of Central Management and Support. This reduction was also taken on a non-recurring basis during FY 2009-10 to meet the projected revenue shortfall.  

($263,581) **R**

19 **Position Eliminations**  
Eliminates positions within the Division of Central Management. (S.L. 2010-31, Sec. 10.5A)  

($1,228,875) **R**

20 **Pesticide Task Force**  
Eliminates funding for the Pesticide Task Force activities. These activities are paid for through the federal NC Farmworker Health Program.  

($39,430) **R**

21 **Community Care of NC Grants**  
Eliminates State appropriation for demonstration grants for obesity prevention, stroke prevention, and emergency room diversion that test alternative methods to managing the utilization of health care services.  

($183,833) **R**

22 **Rural Health Loan Repayment Program**  
Reduces funding for the Rural Health Loan Repayment Program. This reduction amount represents three contracts for health providers.  

($190,749) **R**

23 **Special Olympics**  
Provides funding for a grant-in-aid to Special Olympics. (S.B. 1150)  

$100,000 **NR**

24 **Rural Hospitals Operation and Maintenance**  
Provides funding for small rural hospitals for assistance with operations and infrastructure maintenance.  

$1,000,000 **NR**

25 **ALS Association**  
These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11 to provide a non-recurring grant-in-aid to the Jim "Catfish" Hunter Chapter of the ALS Association for services provided in North Carolina.  

$400,000 **NR**
26 Minority Health Interpreter Services
Reduces funds for local health department service contracts that meet language needs of clients. ($11,000) R

27 Community Focused Eliminating Health Disparities Contracts
Reduces State appropriations for State and local health department contracts by less than 3 percent. ($85,895) R

28 Division of Public Health Contracts
Reduces funds remaining in two contracts that have been eliminated: Perinatal Outreach and Family Health Resource Line. ($400,601) R

29 Accreditation of Local Health Programs
Reduces one half of the funds available for accreditation of local health departments. Remaining funds allow the Division of Public Health to complete evaluations and accreditations of local health departments (LHDs). Centers for Communicable Disease and Prevention is scheduled to launch a nationwide effort to accredit local health departments to national standards in 2011. ($325,000) NR

30 Medicaid Funding for WIC Metabolic Foods
Replace State appropriations with Medicaid receipts for Medicaid-eligible children requiring a diet of metabolic foods. ($283,477) R

31 Position Eliminations
Eliminates 27 positions in Division of Public Health. ($900,000) R
(S.L. 2010-31, Sec. 10.5A) -27.00

32 Operations Reduction
Reduces funds for equipment, travel, and supplies at Division offices. ($481,923) R
33 Immunization Changes
Eliminates funding for the purchase of vaccines for which health care providers and local health departments should be billing health insurers for reimbursement. North Carolina health insurers reimburse for the full series of standard immunizations recommended by Centers for Disease Control and Prevention (CDC) and the American Academy of Family Physicians, as well as those required by the North Carolina Immunization Program. (S.L. 2010-31, Sec. 10.13(a))

34 Children’s Development Services Agency
Reduces State appropriations and budgets anticipated over-realized receipts from Medicaid. This program has been increasing its third party collections.

35 Over-realized Receipts
Reduces funds available for the Division of Public Health and budgets anticipated over-realized receipts on a non-recurring basis.

36 School Health Nurses
Provides funds to hire 10 additional school nurses to bring the total number of school health nurses supported by the Division of Public Health to 255. This is in addition to the 20 school nurses provided for in SFY 2010-11 in S.L. 2009-451, Sec. 10.24.

37 Prevent Blindness
Provides funds for a grant-in-aid to Prevent Blindness of North Carolina. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11. (H.B. 1742/S.B. 1267)

38 AIDS Drug Assistance Program
Provides funds to continue to serve people in the AIDS Drug Assistance Program who are enrolled as of July 1, 2010. These funds will allow eligible individuals with annual incomes of up to 125% FPL who are on the waiting list as of July 1, 2010 to be enrolled. To the degree that funds are available, additional people will be enrolled in the program.
<table>
<thead>
<tr>
<th></th>
<th>Improve Birth Outcomes and Reduce Infant Mortality</th>
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<tbody>
<tr>
<td></td>
<td>Provides funding to educate women on the benefits of 17-p Progesterone, to purchase medication for eligible women at risk of pre-term births, and for continued development and implementation of safe sleep public awareness campaign. These funds are transferred from the Health and Wellness Trust Fund. (H.B. 1702/S.B. 1147)</td>
<td>$247,000</td>
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<tr>
<td>40</td>
<td>NC Folic Acid Campaign</td>
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<td></td>
<td>Provides funding for the March of Dimes to continue to provide outreach, educational materials, and vitamins through the NC Folic Acid Campaign to reduce the occurrence of neural tube defects. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11.</td>
<td>$350,000</td>
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<tr>
<td>41</td>
<td>High Risk Pregnancy Program At East Carolina School of Medicine</td>
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<tr>
<td></td>
<td>Provides funding for continued operation of a high-risk maternity clinic to improve the birth outcomes of women in 29 eastern counties.</td>
<td>$325,000</td>
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<tr>
<td>42</td>
<td>Poison Control Center</td>
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<td>Provides funds to increase the State contract with the Poison Control Center operated by Carolinas Medical Center.</td>
<td>$500,000</td>
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<td>43</td>
<td>Stroke Prevention</td>
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<td>Provides funding for the operation of the Stroke Advisory Council, the continued implementation of the public awareness campaign, and identification of stroke rehabilitation services throughout the State. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11. (H.B. 1727/S.B. 1148)</td>
<td>$450,000</td>
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<tr>
<td>44</td>
<td>Adolescent and Teen Pregnancy Prevention</td>
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<td></td>
<td>Provides $400,000 in non-recurring funding for the adolescent pregnancy prevention, teen parenting, and school dropout prevention program, and $250,000 in non-recurring for a grant-in-aid to the Adolescent Pregnancy Prevention Campaign of North Carolina. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11. (H.B. 328/S.B. 85, H.B. 1152/S.B. 681)</td>
<td>$650,000</td>
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45 North Carolina Arthritis Patient Services
Provides funding for a non-recurring grant-in-aid to North Carolina Arthritis Patient Services. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11.

46 Healthy Carolinians
Provides funding for local health departments to establish and maintain infrastructure to reduce rates of diabetes, cancer, heart disease, obesity, injury, and infant mortality. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11.

47 Immunizations
Provides funds for the initial stocking of required vaccines for the 2010-2011 school year. These funds are transferred from the Health and Wellness Trust Fund for SFY 2010-11 on a one-time basis.

(5.0) NC Health Choice

48 Optical Supplies
Reduces funds available for optical supplies and directs the Health Choice Program to contract with Department of Correction for the purchase of optical supplies.

49 NC Health Choice Transition Staff
Provides funds for three staff to transition the administration of NC Health Choice from the State Health Plan to the Division of Medical Assistance. The staff includes two time-limited employees for clinical policy and provider enrollment and one permanent employee for program integrity activities.

50 NC Health Choice Enrollment
Provides funds to increase enrollment in the Health Choice program by 2% or 2,750 children for a total of 137,789 children served by the program.

(6.0) Division of Medical Assistance
51 CCNC Savings
Provides savings in overall Medicaid expenditures through the expanded efforts of the Community Care Network of North Carolina (CCNC). DHHS contracts with CCNC to manage utilization of Medicaid services. Savings will be generated by expanding CCNC’s care management programs in hospital discharge, mental health; palliative care, and pharmacy. The improved Informatics system will enhance data integration, analytics, and reporting, increasing performance and cost savings. (S.L. 2010-31, Sec. 10.15)

52 Maternal Outreach Workers (MOW)
Transitions pregnant women receiving services through Local Health Departments from Maternal Outreach Workers (MOW) to services provided by Maternal Care Coordinators (MCC) and Children Services Coordinators (CSC). MCC and CSC personnel are required to have a Bachelor’s Degree or be licensed registered nurse.

(S.L. 2010-123, Sec. 11.3, Budget Technical Corrections, amends this item to clarify that MCC and CSC personnel includes licensed registered nurses.)

53 Pharmacy Program Improvements
Generates savings by implementing various pharmacy program improvements, including collecting drug rebates on certain prescription drug claims ($3.6 million); stopping reimbursement for lost prescriptions ($252,000); requiring prior approval on brand drugs when ‘medically necessary’ is written on the prescription ($938,700); creating a specialty drug network for dispensers of certain high cost drugs ($316,040); requiring prior approval on all requests for the drug Synagis ($376,253); and eliminating the ineffective FORM pharmacy program ($83,103). (S.L. 2010-31, Sec. 10.22(a), Sec. 10.23)

54 Prescription Vitamins
Eliminates Medicaid coverage of prescriptions for vitamins and minerals, except for reimbursement for multi-vitamin prescriptions for pregnant women.

(S.L. 2010-123, Sec.11.4, Budget Technical Corrections, amends this item to clarify that Medicaid coverage of prescriptions for vitamins and minerals is eliminated.)
55 Narcotic Prescriptions
Reduces General Fund appropriations for Medicaid pharmacy by locking Medicaid enrollees with a narcotic prescription (e.g. Vicodin, Benzodiazepine) into a single pharmacy and single doctor to prevent pharmacy and doctor shopping and narcotics abuse. (S.L. 2010-31, Sec. 10.34)

56 Mental Health Drug Savings
Generates savings by adding mental health drugs to the Preferred Drug List (PDL), which were previously not part of the PDL savings, and also requires prior authorization but only for off-label prescribing of mental health drugs. (S.L. 2010-31, Sec. 10.22(a))

57 Capitated Behavior Health Pilot Programs
Expands the capitated behavioral health pilot program to two additional local management entities (LMEs), effective January 1, 2011. Effort is based on the Piedmont Behavioral Health pilot. (S.L. 2010-31, Sec. 10.24(a))

58 Prior Authorization for Children's Outpatient Mental Health Services
Establishes Prior Authorization for Children's Outpatient Mental Health Services at 16 visits versus the current 26 visits. (S.L. 2010-31, Sec. 10.35)

59 Enhanced Mental Health Changes
The Department shall manage enhanced services through rate and utilization management to secure a savings of forty-one million dollars ($41,000,000).

60 Independent Assessments on Mental Health Services
Implements independent assessments on various mental health services in the Medicaid program. Prior to the service being delivered, an independent assessment will be conducted to ensure the proper utilization of services. (S.L. 2010-31, Sec. 10.36(a))
61 In-Home Personal Care Services
Reforms the In-Home Personal Care Services program to provide care to those individuals at greatest risk of needing institutional care. Reform transitions eligible recipients into a new program for adults with the most intense needs - those needing extensive assistance with two or more activities of daily living (ADLs). (S.L. 2010-31, Sec. 10.35)

62 Dental Program Improvements
Generates savings by implementing policy improvements in the dental program for children, including implementing limits on imaging for children under the age of 6 years of age; limiting three film radiographs to children aged 13 and older; and limiting the reimbursement for primary teeth composites.

63 Durable Medical Equipment Program Improvements
Generates savings through bulk purchasing of incontinence supplies by selecting one provider through a competitive bidding process ($1,654,714). Also eliminates coverage for high-tech adult orthotics and prosthetics when lower-tech alternatives exist or when medical necessity does not demand the higher-tech device ($204,716).

(S.L. 2010-123, Sec. 11.5, Budget Technical Corrections, amends this item to clarify that DMA may select one or more providers through a competitive bidding process for the bulk purchasing of incontinence supplies).

64 Health Insurance Premium Payment Program (HIPP)
Expands the HIPP Program, in which Medicaid pays for employer-based health insurance costs on behalf of Medicaid-eligible individuals when it is less expensive than Medicaid coverage.

65 Reimbursement of 'Never Events'
Eliminates Medicaid reimbursement of 'never events' in hospital inpatient settings. 'Never events' are certain types of medical issues that develop or are acquired while a person is in a hospital, but should have been prevented. The policy change brings Medicaid in line with Medicare reimbursement. (S.L. 2010-31, Sec. 10.28)
66 Improved Utilization Management for Optional Services
Generates savings through limits and prior approval policies on outpatient optional services, including chiropractic, optical, and podiatry services.

67 Private Duty Nursing Changes
Transitions adult private nursing recipients to a new Community Alternatives Program (CAP) technology waiver upon approval by the federal government. Children would continue to receive private duty nursing services after an independent assessment. (S.L. 2010-31, Sec. 10.35)

68 Coverage of Certain Types of Surgery
Eliminates coverage of certain types of surgery, including breast reduction and mastopexy (breast lift) surgery ($23,420); panniculectomy surgery ($12,328); and surgery for severe obesity ($89,400).

69 Medical Assistance Copayments
Increases current copayment amounts to a maximum of $3, and expands collection of copayments to local health departments and outpatient behavioral health services. In addition, implements a $6 copayment for nonemergency hospital emergency room (ER) visits.

70 Program Integrity Savings
Generates savings through new Program Integrity initiatives, including Medicaid SWAT teams for on-site investigations, strengthening Medicaid fraud laws, innovative technology to detect fraud and abuse, and prepayment reviews for questionable providers. (S.L. 2010-31, Sec. 10.26)

71 Attorney General's Office (AGO) Medicaid Investigative Unit Staff Savings
Generates savings by doubling the Medicaid Investigative Unit staff at the AGO to expand the prosecution of Medicaid fraud and abuse. Additional staff will ensure increased prosecution and additional Medicaid funds recovered from fraudulent providers.
72 **Contract Reductions**
Reduces payment for duplicative or unnecessary administrative functions performed under the Medicaid contract with HP, including eliminating the processing of duplicative claims and processing prior approval (PA) on claims that do not require PA.

73 **ARRA Federal Enhanced Matching Funds Extension**
Reduces General Fund appropriations anticipating that Congress will pass a law extending by six months the enhanced federal matching funds provided under the American Recovery and Reinvestment Act (ARRA) through June 2011.

74 **ARRA Medicare Part D Clawback Savings**
Reduces General Fund appropriations based on savings from enhanced federal matching funds provided by the American Recovery and Reinvestment Act (ARRA). The enhanced federal funds offset State funding for Medicaid paid to cover a portion of prescription drug costs paid by Medicare Part D for dually-eligible (Medicaid/Medicare) individuals. Savings also anticipate that Congress will pass legislation extending the enhanced rate for six months, through June 2011.

75 **Medicaid Rebase**
Increases State appropriations to the FY 2010-11 Medicaid budget to account for 5.6% growth in eligibles above current levels ($5,054,765); consumption ($121,867,913); inflation for cost-settled providers ($5,568,149); new services and mix of services ($16,094,752); anticipated cost of flu ($7,985,000); reductions not achieved in the previous fiscal year ($225,537,633); and increased appropriations due to the change in the Federal Medical Assistance Percentage (FMAP) ($48,456,502).

**(7.0) Division of Health Service Regulation**
76 **Medicaid Funding for Home Care Licensure and Certification**
Generates savings by collecting federal Medicaid receipts to support licensure and certification activities for home care agencies. Since home care agencies are Medicaid providers, this will allow DHSR to collect federal Medicaid receipts.
77 Fee for Assisted Living Medication Aide Testing
Establishes a $25 fee for the testing and materials provided to assisted living medication aides to help defray the costs of administering the tests. (S.L. 2010-31, Sec. 10.36A(a))

78 Fees for Assisted Living Administrator Testing and Certificates
Establishes a $50 assisted living administrator test fee and a $30 assisted living administrator certificate renewal fee. Certificate renewals occur every two years. (S.L. 2010-31, Sec. 10.36A(b))

79 Home Base Licensure and Certification Staff/Lexington Office
Closes Lexington office and home-bases licensure and certification staff, eliminating operating costs and two administrative positions.

80 Nursing Home Licensure and Certification Funds
Replaces General Fund appropriations with federal receipts in the Nursing Home Licensure and Certification Section on a nonrecurring basis. The receipts come from civil monetary penalties assessed against nursing homes.

(8.0) Division of Social Services

81 Equipment, Travel, and Supplies
Reduces funding for equipment, travel, and supplies within the Division of Social Services.

82 Adult Care Home Case Management
Reduces over-budgeted funds for adult care home case management services, per historical reversions.

83 Position Eliminations
Eliminates positions within the Division of Social Services. (S.L. 2010-31, Sec. 10.5A)
84 Economic Services Contract

Eliminates funding for contracted installation and support for Supplemental Nutrition Assistance Program (SNAP) Electronic Benefit Transfer (EBT) infrastructure at Farmers Markets. Federal funds are available to support this initiative, and there has been limited vendor activity to date.

85 Child Support Enforcement Consolidation

Streamlines functions within the Child Support Enforcement Section and reduces operating funds to coincide with the elimination of sixteen state-operated child support enforcement offices. Effective July 1, 2010, S.L. 2009-451 transitions financial and administrative responsibilities for local child support enforcement to twenty-eight counties presently served by the state offices. Under this proposal, approximately twenty filled and thirteen vacant positions within the Child Support Enforcement Section are eliminated.

86 Children’s Advocacy Centers

Replaces recurring grants-in-aid for the twenty-two accredited Children’s Advocacy Centers statewide. This reduction is offset by a non-recurring allocation of Social Services Block Grant receipts for services provided by the Children’s Advocacy Centers during FY 2010-11. (S.L. 2010-31, Sec. 10.37(a) and Sec. 10.37(aa))

87 NC REACH Post-Secondary Scholarship Program

Reduces funding for NC REACH scholarships per projected growth in awards during FY 2010-11. This non-recurring reduction leaves $1,584,125 available to support scholarships in FY 2010-11. In addition, funding for contractual case management services is reduced commensurate with actual FY 2009-10 obligations. (S.L. 2010-31, Sec. 10.18)
88 Child Welfare Contracts
Eliminates funding for 1) Multiple Response ($229,086) and Adoption Programs ($459,156); 2) Grants-in-Aid ($413,044) for child placement services; and 3) Methamphetamine Training ($137,535). This reduction eliminates funding for non-mandated services, conferences, and trainings. Additionally, because placement agencies receive standardized rates (standardization effective January 2009), supplementary grants-in-aid are no longer necessary. Prior Methamphetamine training and support has also led to the creation of community protocols, thereby reducing the need for ongoing training.

89 Electing Counties' Work First State Funds
Replaces funding for Electing Counties' Work First programs with Temporary Assistance for Needy Families (TANF) funds. This reduction does not reduce budgeted funds for Electing Counties' Work First County Block Grants or Work First Family Assistance. (S.L. 2010-31, Sec. 10.37(a))

90 State-County Special Assistance
Reduces funding in accordance with projected FY 2010-11 assistance levels. Counties' requirements are likewise reduced, due to equal financial participation for State-County Special Assistance. Projected savings are the result of the Special Assistance rate reduction that took effect October 1, 2009.

91 FMAP Extension - Foster Care & Adoption Assistance
Reduces funding for foster care and adoption assistance payments per extension of the ARRA enhanced federal medical assistance percentage (FMAP) rate - a base 6.2 percentage point increase from January 2011 through June 2011.

92 Over-Realized Receipts
Budgets prior year earned revenue on a non-recurring basis to offset an equivalent reduction in General Fund appropriations.
93 Permanency Planning State Match
Transfers the twenty-five percent state match requirement for federal IV-B1 funding to county departments of social services. These receipts support permanency planning services for children, including activities to support foster care, adoption, and child protective services.

94 State Adult Care Home Specialist Fund
Adjusts the current non-federal financial participation rates for the state and counties, evenly distributing the non-federal share at twenty-five percent. Currently, the state contributes forty percent of the non-federal share and counties contribute ten percent. Adult Care Home Specialist funds are allocated to counties based on the number of licensed adult care homes. Funds support monitoring and inspection activities by county departments of social services.

95 State Funding Authorizations for Counties
Continues a reduction in state funding authorizations for counties for Foster Care/Adoption Title IV-E, Child Protective Services-State, and Child Protective Services Title IV-E. These reductions were implemented during FY 2009-10 to cover the projected revenue shortfall.

96 Food Banks
Provides a non-recurring grant-in-aid to be equally distributed to the six regional food banks within North Carolina. (H.B. 389/S.B. 279)

97 Child Welfare Education Collaborative
Continues support of the Child Welfare Education Collaborative educational assistance program for social work students who commit to working in child protective services in county departments of social services. (S.B. 1084, S.B. 1261; S.L. 2010-31, Sec. 10.37(a), 10.37(o))

98 Children’s Home Society
Provides a non-recurring grant-in-aid to the Children’s Home Society for FY 2010-11.

(9.0) Office of Education Services
99 Position Eliminations
Eliminates positions within the Office of Education Services. (S.L. 2010-31, Sec. 10.5A) ($2,127,065) R -50.00

100 Food Service Staffing
Eliminates ten filled food service positions within the residential schools for the blind and deaf, per evaluation of food service operations by the Department of Public Instruction's Child Nutrition Section, using the USDA meal per labor hour (MPLH) efficiency standard. Present ratios of approximately 1.7 MPLH are significantly lower than the USDA recommended minimum of 15 - 20 MPLH for Child Nutrition Programs ($282,991) R -10.00

101 Temporary Staffing
Reduces funding for temporary wages within the Office of Education Services ($58,500) R

102 Residential School Administrative Staffing
Consolidates functions among residential school administrative positions, requiring the directors of the residential schools to assume full oversight of academic and business operations. ($605,386) R -7.00

Eliminates two filled and one vacant position within the North Carolina School for the Deaf:
School Principal, #60039101 - $101,516
School Assistant Principal, #60039082 - $88,786
School Assistant Principal, #60039080 - $88,804

Eliminates two filled positions within the Eastern North Carolina School for the Deaf:
School Principal, #60039225 - $108,563
School Assistant Principal, #60039138 - $85,317

Eliminates one filled and one vacant position within the Governor Morehead School for the Blind:
School Administrator, #60039380 - $71,636
School Assistant Principal, #60039392 - $60,764
(S.L. 2010-31, Sec. 10.20B)

103 Beginnings, Inc. Contract
Reduces funding for training of early intervention and public school professionals. This is a 4.8% reduction in total funding for contractual services provided by Beginnings, Inc, leaving $919,730 in recurring funding ($46,459) R
104 Office of Education Services Central Office
Eliminates the Office of Education Services Central Administration and DHHS Exceptional Children Support programs, effective October 1, 2010. Non-recurring funds are appropriated to support the activities of the interim Superintendent. (S.L. 2010-31, Sec. 10.21A)

(10.0) Division of Aging and Adult Services

105 Project C.A.R.E.
Provides funds for Project C.A.R.E. (H.B. 91/S.B. 30)

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

106 Special Assistance for the Blind Consolidation
Merges the Special Assistance for the Blind sub-program presently administered by the Division of Services for the Blind with the State-County Special Assistance program within the Division of Aging and Adult Services. (S.L. 2010-31, Sec. 10.19A)

107 Over-Realized Receipts
Budgets receipts within the Division of Services for the Blind as follows: 1) Social Security Administration receipts ($150,428) per successful vocational rehabilitation client employment outcomes on a non-recurring basis; and 2) Other vending receipts ($155,829) for independent living services.

In addition, $20,417 in Telecommunications Relay Trust Fund receipts are budgeted within the Division of Services for the Deaf and Hard of Hearing for general administration. These additional receipts were identified during FY 2009-10 through updates to DHHS cost allocation plans.

These cumulative receipts offset equivalent reductions in General Fund appropriations.

108 Position Eliminations
Eliminates positions within the Divisions of Services for the Blind, Deaf and Hard of Hearing. (S.L. 2010-31, Sec. 10.5A)
109 Accessible Electronic Information for Blind and Disabled Persons
Funds contracted electronic information services, which allow visually-impaired persons to access print media through telephone systems. (S.B. 1312)

$75,000 NR

(12.0) Division of Vocational Rehabilitation

110 Position Eliminations
Eliminates vacant positions within the Division of Vocational Rehabilitation Services Independent Living program.

($252,067) R -5.00

111 Aid & Public Assistance - Vocational Rehabilitation Basic Support
Reduces funding for vocational rehabilitation (VR) services. This reduction reflects projected match requirements for the VR Basic Support Grant, and leaves $24,254,076 in appropriations for case services. DHHS implemented a non-recurring reduction of $5,513,648 during FY 2009-10 to manage the projected revenue shortfall. DVRS will budget federal funds matched in prior years to partially offset this non-recurring reduction in FY 2010-11 appropriations.

($1,288,915) NR

Budget Changes

$182,409,745 R

($553,519,916) NR

Total Position Changes

-194.00

Revised Total Budget

$3,949,918,671
Special Provisions

2010 Session: SB 897

Department: Health and Human Services

Section: 10.1
Title: ELECTRONIC BENEFITS TRANSFER SYSTEM
Summary: Directs Department of Health and Human Services (DHHS), Division of Child Development to implement an Electronic Benefits Transfer System for child care subsidy. The Department shall look for ways to coordinate with other card systems operating through DHHS. The Department shall also monitor other smart card system pilots in other states and report on their success by May 1, 2011 to Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services and Fiscal Research Division.

Section: 10.2
Title: REPEAL POLICIES TO FACILITATE AND EXPEDITE USE OF CHILD CARE SUBSIDY FUNDS
Summary: Directs the Division of Child Development to discontinue the temporary policies enacted in S.L. 2009-451, Sec. 10.4, that expanded eligibility for child care subsidy to ensure expenditure of American Recovery and Reinvestment Act (ARRA) funds.

Section: 10.3
Title: EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES ENHANCEMENTS
Summary: This special provision repeals language in S.L. 2009-451, Sec. 10.10 that required DHHS to set the level that NCPC is required to spend on childcare subsidy in order to qualify for American Recovery and Reinvestment Act funds. Directs the North Carolina Partnership for Children (NCPC) to spend at least $52 million on child care subsidy in order for the State to meet its Temporary Assistance for Needy Families (TANF) maintenance-of-effort requirement.

Section: 10.5
Title: ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES
Summary: Directs DHHS to continue the policy of allowing local Departments of Social Services to use 5% of the county's child care subsidy funds on administration. The allowance was initially increased from 4% to 5% in S.L. 2009-451, Appropriations Act of 2009.
Section: 10.5A
Title: REPORT ON DHHS POSITION ELIMINATIONS
Summary: Affords DHHS flexibility in implementing "Position Eliminations" items within the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets for 2010-2011. DHHS is authorized to reduce positions by a greater or lesser number than is prescribed by the Report.

(S.L. 2010-123, Sec. 4.3, Budget Technical Corrections, amends this provision to provide DHHS with additional management flexibility in achieving budgeted savings by not restricting such authority to "Position Eliminations" items.)

The Secretary shall submit a report to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services and Fiscal Research Division by March 1, 2011.

Section: 10.6
Title: MENTAL HEALTH CHANGES
Summary: Directs DHHS to spend $29.1 for three-way contracts with local hospitals. Directs the Department to ensure that these contracts are awarded equitably around the State. Also, the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall expand the pilot for the Supports Intensity Scale (SIS) to include all developmentally disabled clients within the seven pilot areas to assign clients to the CAP-MR/DD waiver tiers. (S.B. 1310/H.B. 1796)

Section: 10.6A
Title: JOHNSTON COUNTY LME ADMINISTRATIVE FUNDING
Summary: Notwithstanding G.S. 122C-115 to prohibit the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services from reducing administrative funding for Johnston County Local Management Entity (LME) as a result of not meeting total population of catchment area served.

Section: 10.7
Title: TERM LIMITS FOR COUNTY COMMISSIONERS AND COUNTY MANAGERS ON AREA MENTAL HEALTH BOARDS
Summary: Amends G.S. 122C-118.1(d) to allow county managers who are appointed to an area LME board by the county commissioners to serve more than two consecutive terms. Clarifies that a county manager's appointment to the board shall not extend beyond their employment as county manager.

Section: 10.7A
Title: CAP MR/DD SERVICE ELIGIBILITY
Summary: Amends S.L. 2010-31, Sec. 10.21B to add a new section that directs the Division of Medical Assistance to develop a new service definition with the CAP-MR/DD waiver program to cover some residential supports for participants who have high intensity behavioral needs, reside in a small residential placement, and require constant supervision. The Division is required to report to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, and Fiscal Research Division by October 1, 2010 on the status of seeking approval from CMS.
Section: 10.7B

Title: REPORT ON PROVISION OF BEHAVIORAL HEALTH CRISIS SERVICES HOSPITAL EMERGENCY DEPARTMENTS

Summary: Requires DHHS to conduct an analysis of crisis services provided by local and State hospitals among LME catchment areas and report to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, and Fiscal Research Division by March 1, 2011. The analysis shall include the number of times emergency departments are utilized, the lengths of stay for patients admitted, and the number of patients readmitted within 30 days after discharge.

Section: 10.9

Title: JOINT STUDY COMMITTEE ON AUTISM SPECTRUM DISORDERS AND PUBLIC SAFETY

Summary: Allows the Joint Study Committee on Autism Spectrum Disorders and Public Safety to continue their work until it is completed and removes the termination date of the committee.

Section: 10.10

Title: DOROTHEA DIX HOSPITAL

Summary: Requires DHHS to submit an operations budget for Dorothea Dix Hospital to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services and Fiscal Research Division by August 1, 2010.

Section: 10.10A

Title: CHANGE EFFECTIVE DATE FOR WELL TESTING

Summary: Postpones the effective date of S.L. 2009-451 from October 1, 2010 to October 1, 2012. The remainder of the act is effective when it becomes law.

Section: 10.11

Title: CHANGES TO COMMUNITY-FOCUSED ELIMINATING HEALTH DISPARITIES INITIATIVE

Summary: Changes the due date from March 15, 2010 to March 14, 2011 for the report on program activities.

Section: 10.13

Title: IMMUNIZATION CHANGES

Summary: Continues the distribution of free childhood vaccines to uninsured and indigent children through the federally-supported Vaccines for Children program. This provision eliminates the purchase and distribution of free childhood vaccines to children whose families have health insurance. Health care providers, including local health departments, are to seek reimbursement from health insurers for the administration and dispensing of childhood vaccines.

Section: 10.14

Title: NORTH CAROLINA HEALTH CHOICE EMERGENCY ROOM VISIT CO-PAYMENTS

Summary: Establishes a co-payment of $10 for Health Choice recipients whose family income is at or below 150% of the Federal Poverty Level (FPL). A co-payment of $25 for recipients whose family income is between 151% and 200% FPL was established in S.L. 2009-451.
Section: 10.15

Title:  COMMUNITY CARE OF NORTH CAROLINA

Summary  Directs DHHS to contract with the North Carolina Community Care Networks, Inc. (NCCCN) and its 14 networks to provide standardized clinical and budgetary oversight and reporting on quality measures and savings achieved. Beginning July 1, 2010, NCCCN is to report to the Secretary of Health and Human Services, the Office of State Budget and Management, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division on a quarterly basis. NCCCN is to contract with an outside entity with proven actuarial and evaluation expertise to provide a report to the General Assembly on March 31, 2011, and every year thereafter on the cost savings achieved by NCCCN.

Section: 10.16

Title:  MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS) FUNDS/IMPLEMENTATION OF MMIS

Summary  Amends S.L. 2009-451, Appropriations Act of 2009, Sec. 10.41(a), Appropriations Act of 2009, to increase the authorized FY 2010-11 funding level for the Medicaid Management Information System (MMIS) project from $8,064,128 to $11,737,414. DHHS is authorized to use over-realized and other receipts to match federal funding for the MMIS project.

Section: 10.16A

Title:  NORTH CAROLINA FAMILIES ACCESSING SERVICES THROUGH TECHNOLOGY (NC FAST) FUNDS

Summary  Authorizes DHHS to utilize over-realized and other receipts to expedite development of the Eligibility Information System (EIS) component of the NC FAST project, subject to the prior approval of federal and state partner agencies. DHHS must report project adjustments to the Joint Legislative Oversight Committee on Information Technology, Joint Legislative Commission on Governmental Operations, Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division following federal approvals.

Section: 10.17

Title:  ELIMINATE STATE FUNDING FOR CHILD SUPPORT OFFICES

Summary  Authorizes DHHS to transfer State-owned equipment used by State-operated child support enforcement (CSE) offices to county governments and the Eastern Band of the Cherokee Indians, upon request, to facilitate administration of local CSE programs. Section 10.17 also establishes documentation procedures for the equipment transfers.

(S.L. 2010-123, Sec. 4.1, Budget Technical Corrections, amends this provision to clarify that DHHS may retain equipment that is not designated for transfer.)

Section: 10.18

Title:  CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM/USE OF ESCHEAT FUND

Summary  Amends S.L. 2009-451, Sec. 10.50, Appropriations Act of 2009, to reduce appropriations for NC Reach post-secondary scholarships from $3,168,250 to $1,584,125, and for contractual case management services from $500,000 to $339,493.
Section: 10.19
Title:  TANF BENEFIT IMPLEMENTATION
Summary  Approves the "Temporary Assistance for Needy Families State Plan 2010-2012" and identifies the counties which may remain designated as Electing Counties through September 30, 2012.

Subsections (d) and (e) direct DHHS to allocate TANF funds to Electing Counties for Work First Assistance in amounts equal to their FY 2008-09 allocations. However, DHHS may retract part of these allocations to cover assistance payments on behalf of Standard Counties. (H.B. 503, S.B. 508)

Section: 10.19A
Title:  STATE-COUNTY SPECIAL ASSISTANCE CONSOLIDATING CHANGES

Section: 10.20
Title:  EXTEND REPORTING DATE/EVALUATION OF CONSOLIDATION OF ADMINISTRATIVE FUNCTIONS OF COUNTY DEPARTMENT OF SOCIAL SERVICES
Summary  Amends S.L. 2009-451, Section 10.52(b), Appropriations Act of 2009, to extend the Program Evaluation Division's reporting date from December 1, 2010 to February 1, 2011.

Section: 10.20A
Title:  CHILDREN'S TRUST FUND
Summary  Amends G.S. 7B-1302(a) and G.S. 161-11.1(a) of the General Statutes to move the Children's Trust Fund from the Department of State Treasurer to the Department of Health and Human Services, Division of Social Services.

Section: 10.20B
Title:  OFFICE OF EDUCATION SERVICES/CONSOLIDATION OF PRINCIPAL FUNCTIONS
Summary  Consolidates academic and operational oversight responsibilities among the directors of the three State-operated residential schools for the deaf and blind, and eliminates seven school principal, administrator, and assistant principal positions. DHHS must provide continued oversight of instructional programming by a licensed school administrator upon implementation of these reductions in force.
Section: 10.21A
Title: OFFICE OF EDUCATION SERVICES/TRANSFER OF RESIDENTIAL AND PRESCHOOLS FOR THE DEAF AND BLIND

Summary
Subsection (a) dissolves the Office of Education Services (OES) within the Department of Health and Human Services (DHHS) effective June 1, 2011, and transfers the residential schools and preschool programs for the deaf and blind to the Department of Public Instruction (DPI).

Subsection (b) requires that the State Board of Education (Board) develop and implement a transition plan, outlines minimum plan components, and directs the State Board of Education to report the plan to the Joint Legislative Commission on Governmental Operations Subcommittee on Education/Health and Human Services, Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, Senate Appropriations Committee on Education/Higher Education, House of Representatives Appropriations Subcommittee on Education, and the Fiscal Research Division by December 1, 2010.

Subsection (c) directs the Secretary of DHHS to appoint an interim Superintendent by October 1, 2010, for the purpose of overseeing the residential school and preschool programs until DPI assumes administrative responsibility.

Subsections (d) and (e) direct the Board to form a search committee to evaluate and recommend qualified applicants for the newly created superintendent position within DPI. The Board shall hire a superintendent to oversee residential school operations no later than June 1, 2011.

Subsections (f) and (g) eliminate the OES Central Administration and Exceptional Children Support programs and transfer the Resource Support, DHHS VI Outreach, and Deaf/Blind statewide programs within OES to the DPI Exceptional Children Division, effective October 1, 2010.

Subsection (h) directs DHHS to reinstate residential and instructional schedules in place at the residential schools prior to February 8, 2010 for the 2010-2011 academic year.

Section: 10.22
Title: MEDICAID POLICY CHANGES

Summary
Section 10.22 rewrites Section 10.58 of S.L. 2009-451, Appropriations Act of 2009, to make the following changes to the Medicaid provision:

Clarifies that DHHS may impose prior authorization requirements on brand-name prescription drugs that are identified as “medically necessary” on the prescription;

Allows DHHS to prevent substitutions of a generic equivalent drug when the net cost to the State of the brand-name drug is cheaper;

Limits coverage of experimental or trial procedures to those that are recognized or approved by the National Institutes of Health (S.L. 2010-123, Sec. 4.6, Budget Technical Corrections, amends this provision to include procedures recognized or approved by a federal scientific or regulatory agency such as the Food and Drug Administration);

Requires DHHS to apply Medicaid policy to recipients who have other insurance that is billed prior to Medicaid payment, with exceptions made for recipients who would be adversely impacted by the policy.
Section: 10.23
Title:  SPECIALTY DRUG PROVIDER NETWORK
Summary  Directs DHHS to ensure best practices and prevention of misuse of drugs by working with
specialty drug providers, manufacturers of specialty drugs, Medicaid recipients utilizing specialty
drugs and medical professionals.

Section: 10.24
Title:  STATEWIDE EXPANSION OF CAPITATED 1915(B)/(C) BEHAVIORAL HEALTH WAIVERS
Summary  Directs DHHS to select up to two additional Local Management Entities (LMEs) to implement the
capitated 1915(b)/(c) Medicaid waivers. DHHS is to conduct an evaluation of the waiver programs
to determine the impact on consumers with developmental disabilities. The report is due April 1,
2012 to the House Appropriations Subcommittee on Health and Human Services, the Senate
Appropriations Subcommittee on Health and Human Services, the Joint Legislative Oversight
Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, and the
Fiscal Research Division. In addition, the PBH LME is not to expand beyond its existing
catchment area.

Section: 10.25
Title:  STUDY MEDICAID PROVIDER RATES
Summary  Directs DHHS to study reimbursement rates for Medicaid providers and Medicaid program
benefits in North Carolina in comparison with surrounding states and two additional states by April
1, 2011.

Section: 10.26
Title:  MEDICAID FRAUD PREVENTION
Summary  Authorizes DHHS to create a fraud prevention program that uses information from State and
private databases to develop a fraud risk analysis of Medicaid providers and recipients. DHHS
may modify or extend existing contracts to achieve Medicaid fraud prevention savings for up to
one year, and will report to the Office of State Budget and Management, the House
Appropriations Subcommittee on Health and Human Services, the Senate Appropriations
Subcommittee on Health and Human Services, and the Fiscal Research Division on activities
conducted under this provision by April 1, 2011.

Section: 10.27
Title:  STUDY HIV MEDICAID WAIVER
Summary  Directs the Division of Medical Assistance and the Division of Public Health to study the feasibility
of reducing the waiting list for the AIDS Drug Assistance Program and more effectively and
economically serving persons with AIDS by expanding Medicaid eligibility to persons with AIDS
who have annual incomes at or below 133% of the Federal Poverty Level. The two divisions are to
report the findings of their study to the House Appropriations Subcommittee on Health and Human
Services, the Senate Appropriations Subcommittee on Health and Human Services, and the
Fiscal Research Division by November 1, 2010.

Section: 10.28
Title:  ELIMINATE REIMBURSEMENT OF "NEVER EVENTS"
Summary  Eliminates reimbursement under Medicaid for hospital-acquired conditions (HACs) that are
identified as nonpayable by Medicare.
Section: 10.30
Title: AMEND MEDICAID RECIPIENT APPEALS PROCESS
Summary Amends G.S. 108A, Article 2, to add Sec. 70.9A. This new section codifies the Medicaid Recipient Appeals process. Sec. 70.9A clarifies that notices of hearings to recipients include information on the following: the recipient's right to examine the contents of their case file; the right to an interpreter; and circumstances in which medical assessments may be obtained at agency expense.

Subsection 10.30 (b), further directs DHHS to continue the transfer of $1 million to the Office of Administrative Hearings (OAH) and the Memorandum of Agreement (MOA) to facilitate the ability to draw down federal Medicaid funds to support this administrative function.

Subsection 10.30(c) requires a report on the number, status, and outcome of contested Medicaid cases handled by OAH, including information on those resolved through mediations and formal hearings, and the number of incidences and rationale for DMA reversals of administrative law judge decisions.

Section: 10.31
Title: ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE
Summary Directs DHHS to deposit Disproportionate Share Hospital (DSH) receipts with the State Treasurer as nontax revenue.

Section: 10.32
Title: MEDICAID PREFERRED DRUG LIST
Summary Directs DHHS to add medications for HIV and AIDS to the Preferred Drug List.

Section: 10.33
Title: MEDICAID PREFERRED DRUG LIST (PDL) REVIEW PANEL
Summary Directs DHHS to establish a Preferred Drug List Policy Review Panel to review the Medicaid PDL recommendations of the Physician Advisory Group Pharmacy and Therapeutics Committee in the Division of Medical Assistance.

Section: 10.34
Title: LOCK NARCOTIC PRESCRIPTIONS INTO SINGLE PHARMACY/PROVIDER
Summary Directs DHHS Medicaid enrollees into a single pharmacy and provider when their prescribed use of a controlled substance meets the criteria for potential abuse established by the DMA Physicians Advisory Group.
Rewrites Section 10.68A(a) of S.L. 2009-451, Appropriations Act of 2009, to make the following changes:

Subsection (3a) reforms the Personal Care Services (PCS) and PCS-Plus programs and replaces them, upon approval by the federal government, with the In-Home Care for Children (IHCC) and In-Home Care for Adults (IHCA) programs.

Individuals will be assessed by an independent assessment entity and must need extensive assistance with two or more of five activities of daily living (ADLs) or limited assistance with three or more ADLs. The IHCC program will provide in-home personal care services up to 60 hours per month for children under the age of 21 while the IHCA program will provide adults with up to 80 hours per month. Exceptions will be made on a case-by-case basis for individuals needing assistance with essential errands critical to maintaining health.

Subsection (3b) directs DHHS to conduct a study to determine the viability of transitioning independent assessment for IHC programs to CCNC and to study the incidence of fraud, waste, and abuse by PCS providers by January 1, 2011.

Subsection (7)(e) directs DHHS to study the effectiveness of the length of stay requirements for Level III and Level IV group homes by January 1, 2011.

Subsection (8) prohibits the Secretary from reducing Medicaid provider rates beyond those in effect as of June 1, 2010 (except those reductions previously passed).

Subsection (11) requires prior authorization for outpatient mental health services for children after the 16th visit.

Subsection (12) reforms the Private Duty Nursing program by limiting it to persons under 21, with limits of up to 16 hours per day (with allowable exceptions). It also directs DHHS to develop and submit a waiver to the federal government for adults dependent on technology for a vital bodily function.

Section: 10.35A
Title:  MEDICAID WAIVER FOR ASSISTED LIVING
Summary  Directs Division of Medical Assistance to develop and implement a waiver or state plan amendment to continue Medicaid funding of personal care services to individuals living in adult care homes by August 10, 2010 and requires a report to the Joint Legislative Commission on Government Operations, the House Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by January 1, 2011.

Section: 10.35B
Title:  SENIOR SERVICES: PROJECT C.A.R.E (CAREGIVER ALTERNATIVES TO RUNNING ON EMPTY)
Summary  Allows DHHS to use $200,000 of funds appropriated to the Division of Aging and Adult Services (DAAS) to support Alzheimer’s-related activities consistent with Project C.A.R.E. DAAS will annually develop a plan and report on the use of these funds to the Governor’s Advisory Council on Aging, the North Carolina Study Commission on Aging, and the Fiscal Research Division by October 1, 2010 and annually thereafter.
Section: 10.36
Title: IMPLEMENT INDEPENDENT ASSESSMENTS ON MENTAL HEALTH SERVICES

Summary  Directs DHHS to conduct independent assessments of Medicaid recipients prior to the delivery of enhanced mental health services. If DHHS does not achieve the desired savings through such assessments, then it is to conduct independent assessments of Medicaid recipients prior to the delivery of mental health services to such recipients exiting inpatient facilities or who are in need of continuing care or high cost services.

S.L. 2010-123, Sec. 4.2, Budget Technical Corrections, amends this provision to clarify that the independent assessment entity will recommend the type and amount of services to be provided.)

Section: 10.36A
Title: DHSR ASSISTED LIVING ADMINISTRATOR/MEDICATION AIDE FEES

Summary  Establishes a $25 fee for assisted living home medication aide tests and a $50 fee for assisted living administrator exams. It also establishes a $30 fee for the assisted living administrator certificate, renewable every two years.

Section: 10.37
Title: DHHS BLOCK GRANTS

Summary  Subsection (a) appropriates $1,031,302,512 of federal block grant and contingency grant receipts, including $86,850,619 of one-time American Recovery and Reinvestment Act (ARRA) funds.

Subsections (b) through (e) establish submission and reporting requirements for DHHS block grant and contingency grant allocation plans. Subject to the approval of the Office of State Budget and Management (OSBM), DHHS is directed to increase or decrease itemized allocations proportionately according to increases or decreases in federal funding of respective grants. OSBM must also consult the Joint Legislative Commission on Governmental Operations prior to implementing adjustments that are not specifically authorized in Section 10.37. Adjustments to allocation plans must be reported to the Joint Legislative Commission on Governmental Operations, Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

Additionally, subsections (f) through (hh) provide guidance to DHHS regarding implementation of the itemized allocations delineated in subsection (a).

(S.L. 2010-123, Sec. 4.7, Budget Technical Corrections, amends this provision to direct DHHS to apply for TANF Emergency Contingency Fund (TANF ECF) grants for the 2010-2011 federal fiscal year. Section 4.7 also requires that OSBM utilize grant receipts to maximize General Fund availability; limits the amount of new TANF ECF receipts which may be designated for a temporary, statewide subsidized employment program; and establishes planning and reporting requirements.)

Special Provisions

2010 Session: SB 1202

Department: Health and Human Services
Section: 4.1
Title: TECHNICAL CHANGE: CHILD SUPPORT OFFICE EQUIPMENT TRANSFER
Summary: Amends S.L. 2010-31, Sec. 10.17 to clarify that DHHS may retain State-owned equipment that is not designated for transfer per request from certain county governments or the Eastern Band of the Cherokee Indians.

Section: 4.2
Title: TECHNICAL CHANGE: IMPLEMENT INDEPENDENT ASSESSMENT ON MENTAL HEALTH SERVICES
Summary: Amends S.L. 2010-31, Section 10.36(a) to clarify that the independent assessment entity will recommend the type and amount of service to be provided.

Section: 4.3
Title: BUDGET CHANGES: DHHS POSITION ELIMINATIONS
Summary: Amends S.L. 2010-31, Sec. 10.5A to provide DHHS with additional management flexibility in achieving budgeted savings by not restricting such authority to "Position Eliminations" items.

Section: 4.5
Title: TECHNICAL CHANGE: IMMUNIZATION CHANGES
Summary: Amends S.L. 2010-31, Section 10.13(a) to correct the reference to the number of covered immunizations from 13 to 11.

Section: 4.6
Title: TECHNICAL CHANGE: MEDICAID POLICY CHANGES
Summary: Rewrites S.L. 2009-451, Section 10.58(d)(19) to clarify that Medicaid medical policy shall apply to Medicare Advantage patients, as well as Medicare patients.

Rewrites S.L. 2009-451, Section 10.58(d)(30) to clarify that experimental or trial procedures are limited to those recognized or approved by a federal scientific or regulatory agency such as the Food and Drug Administration, in addition to the National Institutes on Health.

Section: 4.7
Title: BUDGET CHANGES: TANF EMERGENCY CONTINGENCY FUND GRANTS
Summary: Amends S.L. 2010-31, Sec. 10.37 to insert new subsections directing DHHS to apply for TANF Emergency Contingency Fund (TANF ECF) grants for the 2010-2011 federal fiscal year, and requiring that OSBM utilize grant receipts to maximize General Fund availability. Section 4.7 also limits the amount of new TANF ECF receipts which may be used for a temporary, statewide subsidized employment program, and establishes minimum planning and reporting requirements.

Section: 4.8
Title: TECHNICAL CHANGE: FROM CERTIFIED TO LICENSED
Summary: Amends S.L. 2003-178, Mental Health Reform Waiver, by changing the requirement from a certified clinical additions specialist to a licensed clinical additions specialist who will be able to conduct initial patient evaluations.
Section: 11.3
Title: TECHNICAL CHANGE: MATERNAL OUTREACH WORKERS
Summary: Amends Item 52, page G-9 of the Joint Conference Committee Report to clarify that licensed registered nurses qualify as Maternal Care Coordinators and Children Services Coordinators.

Section: 11.4
Title: TECHNICAL CHANGE: PRESCRIPTION VITAMINS
Summary: Clarifies that in Item 54, page G-9 of the Joint Conference Committee Report Medicaid coverage of prescriptions for vitamins and minerals is eliminated.

Section: 11.5
Title: TECHNICAL CHANGE: DURABLE MEDICAL EQUIPMENT
Summary: Clarifies that savings generated through Item 63, page G-10 of the Joint Conference Committee Report may come from bulk purchasing of incontinence supplies through one or more providers selected through a competitive bidding process.
NATURAL

&

ECONOMIC RESOURCES
Budget Changes

Department-wide

1. Vacant Positions
   Eliminates 9.0 vacant positions across the Department.
   Eliminated positions include:
   #60012677 Research Technician
   #60011868 Technology Support Analyst
   #60011886 Processing Assistant III
   #60011902 Processing Assistant III
   #60011965 Food Inspector
   #65006175 Quality Assurance Manager
   #60012160 Vet Lab Assistant I
   #60012115 Livestock Compliance Officer
   #60095971 Processing Assistant III

   ($440,218)  R

2. IT Budget Reductions
   Reduces the Department's non-salary IT budget by 3%. This reduction is based on the average difference between budgeted and actual expenditures for the past four fiscal years.

   ($84,036)  R

3. Travel Budget Reductions
   Reduces the budget for payments to the Motor Fleet Management (MFM) Division by 7.5%. This decrease reflects the recent rate reduction implemented by MFM.

   ($70,995)  R

4. Equipment Budget Reductions
   Reduces the equipment budget in the Department by $447,039; half of this reduction is taken on a recurring basis and half is nonrecurring. This represents approximately a 9.0% reduction to the Department's equipment budget in FY 2010-11.

   ($223,520)  R
   ($223,519)  NR
Ag Statistics

5 Operating Expense Reduction

Reduces the operating budget within the Ag Statistics Division by approximately 16%.

Emergency Programs

6 Contracts Funds

Reduces funds for contracts within the Emergency Programs Division by $15,000, approximately 12% of total funds for miscellaneous contractual services.

Food and Drug Protection

7 Spay/Neuter Funds

Requires the Animal Feed & Pet Food Branch within the Food and Drug Protection Division to transfer $250,000 in receipts to the Spay/Neuter Account annually. This branch has over realized receipts by at least $250,000 each year since FY 2006-07. (H.B. 208, S.B. 1332; S.L. 2010-31, Sec. 11.4)

8 NC Egg Law Program

Reduces the Egg Law Program by eliminating 3.0 positions and associated operating. One position will remain and will focus on investigations and consumer complaints. Other inspectors within the Food and Drug Protection Division will assume Egg Law inspection duties where possible. The eliminated positions include:

- #60011637 Egg Law Inspector
- #60011638 Egg Law Inspector
- #60011639 Egg Law Inspector

Food Distribution

9 Fuel Budget to Federal Receipts

Fund shifts a portion of the diesel fuel budget within the Food Distribution division to Federal receipts. Federal receipts fund approximately 45% of the Division's operations.
General Administration

10 Agricultural Development and Farmland Preservation Trust Fund
Provides $2 million for the Agricultural Development and Farmland Preservation Trust Fund. (H.B. 1914/S.B. 1434)

11 FFA Foundation, Inc
Reduces the recurring pass-through appropriation for the FFA Foundation, Inc by 5%, leaving $45,144 recurring.

Markets

12 Got to Be NC
Provides funds for "Got to Be NC" marketing. This program promotes North Carolina's farmers by helping to develop markets for North Carolina produce and products in grocery stores, restaurants, farmers markets, and other establishments.

13 International Trade
Provides funds to support international trade initiatives.

14 Farmers Markets
Reduces operating funds for the Farmers Markets operated by the Department.

Plant Industry

15 Phytosanitary Fees
Increases phytosanitary fees within the Plant Industry Division. Subchapter 48A of North Carolina Administrative Code, Export Certification Inspection Fee, directly ties the Division's fee structure for phytosanitary inspections to the federal phytosanitary fee structure. This fee increase brings the Department's fee structure in line with USDA.

Public Affairs

16 Operating Budget
Reduces General Fund support for the Public Affairs Division by approximately 6%.
**17 Ag in the Classroom**

Reduces the recurring pass-through appropriation for Ag in the Classroom by 5%, leaving $22,572 recurring.

**Structural Pest and Pesticides**

**18 Pesticide Section**

Reduces General Fund support for the Pesticide Section by requiring the Section to budget over realized receipts and increase fees. This change requires that 12.68 positions be transferred to receipt support. (S.L. 2010-31, Sec. 11.1)

**19 Structural Pest Section Fees**

Increases fees for certified applicator and license exams, structural licenses, structural certified applicator cards, and registered technician cards. (S.L. 2010-31, Sec. 11.2)

**Veterinary Services**

**20 Online Reporting of Lab Results**

Directs the Veterinary Services Division to increase the use of online reporting of vet lab results. The Division shall default to online reporting of vet results but will provide printed results upon request.

**21 Rose Hill Vet Lab**

Eliminates the Rose Hill Vet Lab. The Rose Hill Lab is the least active and oldest of the Division's five veterinary labs. Elimination of this lab will streamline laboratory processes and eliminate an underperforming facility. This will eliminate 7.0 positions, including:

- #60012203 Veterinarian
- #60012204 Veterinarian
- #60012205 Processing Assistant III
- #60012206 Processing Assistant III
- #60012208 Vet Lab Assistant I
- #60012209 Medical Lab Technologist I
- #60012214 Medical Lab Assistant II

Agriculture and Consumer Services
<p>| | |</p>
<table>
<thead>
<tr>
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<tr>
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Special Provisions

2010 Session:  SB 897

Department:  Agriculture and Consumer Services

Section: 11.1
Title:  FEE INCREASES FOR PESTICIDE DEALERS, PESTICIDE APPLICATORS, AND PEST CONTROL CONSULTANTS
Summary  Increases the fees charged for the exams and licenses required to be a certified pesticide dealer, pesticide applicator, or pest control consultant.  The exam fees, which range from $10 for a private applicator exam to $50 for most core applicator exams, are new; the license fees, which increased from $50 to $75, were last increased in either 2003 or 1989 depending upon the license

Section: 11.2
Title:  STRUCTURAL PEST CONTROL ACT FEE INCREASES
Summary  Increases the fees for exams and licenses for structural pest control technicians.  Fees vary by exam and license.  Some of these fees have not been changed since 1976; the most recent increases occurred in 1999.

Section: 11.4
Title:  TRANSFER ADMINISTRATION OF THE VOLUNTARY SPAY/NEUTER PROGRAM TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES; AMEND FUNDING FOR THE SPAY/NEUTER ACCOUNT
Summary  Transfers the Spay/Neuter Program from the Division of Public Health (DPH) in the Department of Health and Human Services to the Department of Agriculture and Consumer Services and makes necessary conforming changes.  The funding mechanism for the program is also changed; funds from the sale of rabies tags will no longer support Spay/Neuter activities and shall be used exclusively for the Rabies Program in DPH; these funds were formerly split between the Rabies Program and the Spay/Neuter Program.  Revenue from the sale of Animal Lover's special license tags will continue to support the Spay/Neuter Program.  This provision also increases the tag fee from $20 to $30.  (H.B. 208, S.B. 1332)

Section: 11.5
Title:  RECLASSIFY ONE VACANT POSITION IN DACS FOR THE NC FARM TO SCHOOL PROGRAM
Summary  Directs the Department to reclassify and fill one vacant position to support the NC Farm to School Program.  (H.B. 1832/S.B. 1284)
2010 Annotated Committee Report

Labor

<table>
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<th>Total Budget Approved 2009 Session</th>
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Budget Changes

**Department-wide**

22 **Salary Reserve**

Reduces salary reserve across the Department by $280,280.

Salary Reserve is the difference between the budgeted amount for a position and the actual salary paid.

23 **Travel Budget Reductions**

Reduces the budget for payments to the Motor Fleet Management (MFM) Division by 7.5%. This decrease reflects the recent rate reduction implemented by MFM.

24 **Operating Expense Reduction**

Reduces the operating budget across the Department by $38,295.

25 **Vacant Positions**

Eliminates 3.5 vacant positions in the Department.

Positions include:

- #60012895 Accounting Clerk IV
- #60013222 Processing Assistant IV
- #60013055 Admin Services Assistant
- #60012877 Physical Facilities Manager

**Commissioner's Office**

26 **Administrative Position to Fee Support**

Fund shifts an administrative position within the Commissioner's Office to fees generated by the Elevator and Amusement Device and Boiler Inspection Bureaus.
### Occupational Safety & Health

**27 Operating Expenses to Federal Receipts**

Replaces General Fund appropriations for the Occupational Safety & Health Division with federal receipts. In FY 2008-09, federal receipts accounted for approximately 35.5% of the budget for Occupational Safety & Health.

### Standards and Inspections

**28 Apprenticeship Program**

Reduces General Fund appropriation for the Apprenticeship Program and fund shifts 3.0 positions to receipts. If sufficient receipts are not realized to support these positions, the positions shall be eliminated. The Department is encouraged to promote this program to maximize participation and enrollment. (S.L. 2010-31, Sec. 12.1)

### Budget Changes

<table>
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($341,184)
Special Provisions

2010 Session: SB 897

Department: Labor

Section: 12.1

Title: DEPARTMENT OF LABOR/APPRENTICESHIP PROGRAM

Summary: Modifies G.S. 94-12 to change the Apprenticeship Program fee such that there is no longer an apprentice/sponsor split for paying the fee and removes the exemption for public sector apprentices.
Budget Changes

(1.0) Department-wide

29 IT Budget Reductions
Reduces the Department's non-salary IT budget based on the average difference between budgeted and actual expenditures for the past four fiscal years. ($750,000) R

30 Travel Budget Reductions
Reduces the budget for payments to the Motor Fleet Management (MFM) Division by 7.5%. This decrease reflects the recent rate reduction implemented by MFM. ($120,432) R

31 Division of Environmental Assistance and Outreach
Consolidates the Division of Pollution Prevention and Environmental Assistance, the Customer Service Center, and the Small Business Ombudsman into one Division, the Division of Environmental Assistance and Outreach. This consolidation eliminates 4.0 positions:

#60035073 Environmental Program Supervisor II
#60035069 Administrative Secretary II
#60035079 Info & Comm Spec II
#60035068 Accounting Tech

(S.L. 2010-31, Sec. 13.1)

32 Special Fund Closure
Directs the Department to transfer the operating budgets, positions, and remaining cash balance from the Lab Certification Fees fund (24300-2335) into the Division of Water Quality (14300-1635). (S.L. 2010-31, Sec. 13.21)
(2.0) Administration

33 Chief Technology Officer
Eliminates funding for the Chief Technology Officer. This position is currently vacant.

34 Sustainable Communities Task Force
Provides funding for the Sustainable Communities Task Force to make North Carolina competitive to leverage federal Sustainable Communities Program funds. Housing and Urban Development has $150,000,000 available in grant funding for this program this fiscal year. These funds will be used to provide grants to regional sustainable development partnerships. (H.B. 1701, S.B.1333; S.L. 2010-31, Sec. 13.5)

35 Office of Conservation, Planning, and Community Affairs
Consolidates the Office of Conservation and Community Affairs and the Natural Resources Planning and Conservation Division into the Office of Conservation, Planning, and Community Affairs. The new Office will be housed in the Secretary's Office. (S.L. 2010-31, Sec. 13.1B)

36 Office of Environmental Education and Public Affairs
Consolidates the Office of Environmental Education and the Office of Public Affairs into the Office of Environmental Education and Public Affairs. The new Office will be housed in the Secretary's Office. (S.L. 2010-31, Sec. 13.1A)

(3.0) Coastal Management

37 Position to Receipt Support
Fund shifts 0.5 of a district manager position to express permit receipts.

(3.0) Environmental Assistance and Outreach

38 Positions to Receipts
Fund shifts 3.37 positions to the Solid Waste Management Trust Fund.
(3.0) Environmental Health

39 Bedding Program  
Fund shifts a portion of rent for the Division to receipts collected from bedding inspections.

40 Childhood Lead Poisoning Prevention Program  
This reduction eliminates 1.0 vacant position ($71,562, #60034294) and funding for reimbursements to counties ($70,168).

41 Food and Lodging Program  
Reduces aid to counties for food and lodging programs by 33%. Each county's share will be reduced from $6,000 to $4,000.

42 Shellfish Sanitation  
Eliminates 1.0 vacant shellfish sanitation position (#60034496) for a savings of $77,713; this position has been vacant since February 10, 2010. In addition, fund shifts 1/2 of 2.0 shellfish sanitation positions (#60034517 and #60034516) to receipt support for a savings of $43,990. Reduces operating budget for scientific supplies by $2,932.

43 Water Supply Section  
Eliminates 1.0 vacant Business Officer position (#60034259) in the Water Supply Section. This position has been vacant since July 10, 2009.

44 Public Health Pest Management  
Reduces grants-in-aid for mosquito pest management by $100,000, leaving $186,191 for this purpose.

(3.0) Land Resources

45 Position to Receipt-Support  
Fund shifts 1.083 Environmental Technician positions to receipts.

46 Sediment and Erosion Control  
Eliminates aid to local governments for the establishment of sediment and erosion control programs.
47 Workshops and Educational Materials
Reduces funding for workshops and educational outreach materials related to erosion and sedimentation control. After this reduction, $100,000 will remain for these purposes.

48 Natural Gas and Petroleum Potential
Provides funding for 1.0 new position and associated operating expenses to work on the characterization of natural gas and petroleum potential in the Mesozoic Deep River basin in North Carolina.

49 Dam Safety Fee
Provides for a one-time assessment on utilities to pay for 1.0 two-year time-limited Environmental Engineer position to manage and conduct dam safety inspections. This position will be wholly receipt supported by this assessment. The $1,100 per dam equivalent fee is expected to generate approximately $170,120. (S.L. 2010-31, Sec. 13.6)

(3.0) Waste Management
50 Hazardous Waste Fees
Raises fees on hazardous waste generators, transporters, as well as storage, treatment, and disposal facilities. Some fees were last raised in 2003. Others have not been raised since their inception in 1987. (S.L. 2010-31, Sec. 13.8)

(S.L. 2010-123, Sec. 5.3, Budget Technical Corrections, clarifies this item to appropriate $250,000 of the new fees collected and placed in the hazardous waste special fund to allow them to be used for other activities within the Division of Waste Management related to hazardous waste compliance, prevention, and oversight.)

51 Positions & Operating to Receipts
Fund shifts 1.1 positions and associated operating costs to EPA grant funding and 1.0 position and associated operating costs to hazardous waste receipts.

(3.0) Water Quality
52 Positions to Federal Support
Fund shifts positions within the Division of Water Quality to federal support.
53 **Neuse River Rapid Response Team**

Eliminates funding for one filled and one vacant position associated with the Neuse River Rapid Response Team. The eliminated positions are

#60035508 Environmental Senior Technician
#60035507 Environmental Supervisor

54 **Water Quality Monitoring on Ferry Vessels**

Provides funds for the FerryMon Program, which evaluates water quality in the Pamlico Sound and its tributary rivers using equipment attached to ferry vessels. (H.B. 1211)

55 **River Basin Commissions**

Reduces funding for the river basin commissions. $5,000 will remain to support the work of these commissions.

56 **Vacant Position and Operating Budget**

Eliminates 1.0 vacant Environmental Supervisor III position ($104,750) and reduces the Division's operating budget for streamflow gages ($73,692) and well drilling and repair ($73,692).

57 **Operating Budget**

Eliminates the General Fund appropriation that supports special activities and events ($410,000). Funds for special events and activities are replaced by increased rental fees at the three Aquariums. 3.0 positions are fund shifted to these increased receipts. General Fund appropriations used for daily operations are reduced by $304,297. Gate admissions budgeted in the North Carolina Aquariums special fund shall be used to offset this reduction.

This item was amended in S.L. 2010-31, Budget Technical Corrections. The Division must still manage this reduction through increased rental fees and budgeted gate admissions but the specific amount of fees to be raised and gate admissions to be budgeted was removed. (S.L. 2010-31, Sec. 11.7)
(4.0) Forest Resources

58 Aircraft Operations
Reduces personnel and operating expenses for aircraft operations by $469,817, partially implementing the recommendations included in the Program Evaluation Division's Study of State Aircraft. This reduction eliminates 4.0 pilot positions and 2.0 mechanic positions. The Division is sell not less than 10 aircraft, resulting in $1.5 million in one-time funds. If the sale of the aircraft does not bring in $1.5 million, the Division is to manage this nonrecurring reduction.

This item was amended in S.L. 2010-31, Budget Technical Corrections, to clarify that the Division shall reduce its fleet by not less than 10 aircraft and that State owned aircraft are to be sold and federally owned aircraft are to be returned to the federal government. (H.B. 1823; S.L. 2010-31, Sec. 13.16, Sec. 13.17, Sec. 13.18)

59 Aircraft Hangars
Directs the Division to consolidate the location of aircraft and terminate the leases of two unnecessary hangars. (H.B. 1823)

60 Liability Insurance
Reduces funding for liability insurance in the Division of Forest Resources by 4.6%, leaving over $280,000 for this purpose.

61 Principal Payments for Equipment
Reduces funding for principal payments for new equipment. On average over the last four fiscal years, over a million dollars in funds have not been expended from this line item.

62 Temporary Wages
Reduces temporary wages within the Division by approximately 20%, leaving $867,175 in appropriation for temporary wages. The Division also budgets over $411,000 in receipts for temporary wages.

63 Young Offenders Forest Conservation Program (BRIDGE)
Restores 95% of the funding for the BRIDGE program, which was subject to Continuation Review in FY 2009-10.

Environment & Natural Resources
(4.0) Marine Fisheries

64 Helicopter Operations
Eliminates the Division's 3 helicopters and associated operating expenses in accordance with the recommendations from the Program Evaluation Division's Study of State Aircraft. The aircraft will be sold, generating one time revenue of $35,000. (H.B. 1823; S.L. 2010-31, Sec. 13.16, Sec. 13.17, and Sec. 13.18)

65 Communication Equipment
Reduces funding for communication equipment in the Division of Marine Fisheries by approximately 29.5%, or $32,322.

66 Positions to Receipt Support
Fund shifts 3.0 positions to receipt support (#60032528 - Public Information Asst IV, #60032665 - Info & Communication Spec I, and #60032536 - Info & Communication Spec).

67 At-Sea Observer Program
Reduces funding for the Fisheries Resource Grant Program run through Sea Grant by $300,000 to provide recurring appropriation for the At-Sea Observer program. The At-Sea Observer program will monitor gill net fisheries and record sea turtle and other endangered and threatened species interactions. This leaves $300,000 for the Fisheries Resource Grant Program.

68 At-Sea Observer Program
Uses the $300,000 from the Fisheries Resource grant program to establish the At-Sea Observer program. This program is necessary to meet federal requirements to monitor gill net fisheries and record sea turtle and other endangered and threatened species interactions.

(4.0) Museum of Natural Sciences

69 Academic Services
Reduces funding for Academic Services within the Public Programs and Exhibits Sections of the Museum of Natural Sciences. The academic services line item is used to purchase services from independent contractors and/or external organizations for contracted professional and consultative personal services.
### 70 Operating Budget
- Reduces various operating expenses within the Museum of Natural Sciences by approximately 14%.

### 71 Temporary Wages
- Reduces funds for temporary wages within the Museum of Natural Sciences by approximately 10%, leaving approximately $450,000 for this purpose.

### (4.0) Natural Resource Planning and Conservation

#### 72 Conservation Information and Incentives Program
- Replaces General Fund support for the Conservation Information and Incentives program with receipts from the Natural Heritage Trust Fund. This change shifts 5.48 positions to receipts.

#### 73 State Park Parking Fees
- In lieu of charging for parking as directed in S.L. 2009-451, the Division is directed to manage the $2,237,963 recurring reduction through decreased operating expenditures in line items 532XXX through 535XXX. (S.L. 2010-31, Sec. 13.14)

### (4.0) Parks and Recreation

#### 74 Agriculture Cost Share Financial Assistance Program
- Reduces funding for the financial assistance portion of the Agriculture Cost Share Program by 5%, leaving approximately $4 million in matching funds for implementing agricultural best management practices.

#### 75 Conservation Reserve Enhancement Program
- Reduces funding for the Conservation Reserve Enhancement Program (CREP) by 50%, leaving $289,640 for this program.

#### 76 Community Conservation Assistance Program
- Reduces funding for the Community Conservation Assistance Program (CCAP) by approximately 5%, leaving $131,155 for this program.
(4.0) Zoological Park

77 Vehicle Replacement Funds
Reduces funding for the replacement of vehicles and trams for one year. ($500,000) NR

78 Tort Claims
Reduces funds available for tort claims by 80%, leaving $10,000 for this purpose. ($40,000) R

(5.0) Reserves and Transfers

79 Partnership for the Sounds
Reduces the recurring pass-through appropriation for the Partnership for the Sounds by 5%, leaving $481,560 in funding. ($25,345) R

80 Clean Water State Revolving Fund
Provides funding to meet the 20% State match requirement for drawing down the maximum available federal funds for the Clean Water (Wastewater Treatment Plant) State Revolving Fund. In addition to the amount appropriated, $935,271 in interest earned on the Clean Water State Revolving Fund will be used to reach the full match amount of $7,333,399. (H.B. 1750/S.B. 1280) $6,398,128 NR

81 Drinking Water State Revolving Fund
Provides fund to meet the 20% State match requirement for drawing down the maximum available federal funds for the Drinking Water State Revolving Fund. (H.B. 1750/S.B. 1280) $6,201,872 NR

Budget Changes
($6,839,026) R
$11,065,000 NR

Total Position Changes
-30.03

Revised Total Budget
$194,625,330
Special Provisions

2010 Session:  SB 897

Department:  Environment & Natural Resources

Section: 13.1
Title: CONSOLIDATE THREE DENR SUBUNITS WITHIN THE NEW DIVISION OF ENVIRONMENTAL ASSISTANCE AND OUTREACH
Summary  Consolidates the Customer Service Center, the Small Business Ombudsman, and the Division of Pollution Prevention and Environmental Assistance into one new division named the Division of Environmental Assistance and Outreach. The provision makes other conforming statutory changes to reflect the new name.

Section: 13.1A
Title: CONSOLIDATE TWO DENR OFFICES INTO NEW OFFICE OF ENVIRONMENTAL EDUCATION AND PUBLIC AFFAIRS
Summary  Consolidates the Office of Environmental Education and the Office of Public Affairs into one new Office of Environmental Education and Public Affairs and makes conforming statutory changes to reflect the new name.

Section: 13.1B
Title: CONSOLIDATE TWO SUBUNITS IN DENR INTO NEW OFFICE OF CONSERVATION, PLANNING, AND COMMUNITY AFFAIRS
Summary  Creates the Office of Conservation, Planning, and Community Affairs in the Secretary's Office by consolidating the Office of Conservation and Community Affairs with the Natural Resources Planning and Conservation office.

Section: 13.2
Title: STUDY THE MERGER OF THE DIVISION OF ENVIRONMENTAL HEALTH IN DENR AND THE DIVISION OF PUBLIC HEALTH IN DHHS; AMEND ON-SITE WASTEWATER CERTIFICATION
Summary  Requires that the Division of Environmental Health within DENR and the Division of Public Health within the Department of Health and Human Services study the desirability and feasibility of consolidating the two divisions. Subsection (a) requires that both divisions submit program and budgetary information by October 1, 2010 to the Environmental Review Commission (ERC) and the Fiscal Research Division. Subsection (b) requires that both divisions work together to evaluate the potential merger of the two divisions and potential efficiency gains or losses. Subsection (c) requires the divisions to submit a report to the House and Senate Appropriations Committees on Natural and Economic Resources and the Fiscal Research Division no later than January 15, 2011. Subsection (d) requires ERC to study the potential merger of the two divisions and to report its recommendations to the 2011 General Assembly by January 15, 2011.

Subsections (e) through (o) make the On-Site Wastewater Contractors and Inspectors Certification Board an independent board; previously the Board was organized under the Department. The fees and On-Site Wastewater Fund are subsequently transferred as of June 30, 2010.
Section: 13.5
Title: **SUSTAINABLE COMMUNITIES TASK FORCE**

**Summary**
Creates the Sustainable Communities Task Force within the Department and outlines its duties and membership. The provision charges the Task Force with many duties, including providing technical assistance to local governments, promoting regional partnerships, and creating a local government sustainable practices score card. This provision also creates the Sustainable Communities Grant Fund and outlines the purposes for which the fund can be used, including funding to improve regional planning efforts and funding to match federal Sustainable Communities grants. Funding is limited to metro regions of the State as defined in G.S. 143B-344.38(b). The provision creates this statute and defines "metro region of the State" as eleven specific metropolitan regions as well as any metropolitan statistical area with a population greater than 100,000.

The provision requires extensive reports beginning in October of 2011 on population and socioeconomic data, State funding initiatives related to sustainable growth, grants that the Task Force provided, and other related issues. Reports are to be submitted to the Governor, the Chairs of House Commerce, Small Business, and Entrepreneurship, the Senate Commerce Committee, and the Joint Legislative Commission on Governmental Operations.

The provision also requires the Departments of Administration, Commerce, Health and Human Services, Transportation, and Environment and Natural Resources to report by October 1 of each year to the Senate Commerce Committee, the House Commerce, Small Business, and Entrepreneurship Committee, and the Joint Legislative Commission on Governmental Operations on their efforts to implement sustainable development principles as defined in subsection (b) of this provision.

The provision also reallocates one vacant position within the Department to the Task Force and provides for administrative support. The provision sunsets the Task Force on June 30, 2016. (S.B. 1333, H.B. 1701)

(S.L. 2010-180, Sec. 21.2, Amend Environmental Laws 2010, amends this provision to require that the score card developed take into account the diverse needs of small communities and rural areas. It also requires that the Task Force report to the House Commerce, Small Business, and Entrepreneurship Committee and the Senate Commerce Committee regarding the score card by February 1, 2010 and prior to awarding of funds. It further clarifies that the Task Force does not have the authority to regulate or supersede any action of any State agency of local government.)

Section: 13.6
Title: **DAM SAFETY FEE**

**Summary**
Creates a one-time dam safety fee of $1,100 per equivalent dam unit. The fees collected will support an engineer position in the Department to inspect coal ash ponds and similar structures at regulated power plants across the State.

Section: 13.8
Title: **INCREASE HAZARDOUS WASTE FEES**

**Summary**
Increases hazardous waste fees for generators, transporters, and facilities.

(S.L. 2010-123, Sec. 21.2, Amend Environmental Laws 2010, amends this provision to clarify that the new rates apply to all fees assessed after July 1, 2010. Further, Sec. 5.3 appropriates $250,000 of the fees collected and deposited into the hazardous waste special fund to be used for other activities related to hazardous waste within the Division of Waste Management.)
Section: 13.9
Title: INCREASE ADMINISTRATIVE CAP FOR INACTIVE HAZARDOUS WASTE SITES PROGRAM
ADD RECEIPIENTS TO ANNUAL REPORT REQUIREMENT
Summary Increases the administrative allowance on the Inactive Hazardous Sites Cleanup Fund from 7% to 13%. This change was necessary due to the shifting of General Fund-supported activities to receipts required in the Conference Committee Report for S.L. 2009-451. This provision also requires the Secretary to submit the inactive hazardous sites report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division; the report previously was submitted to only the Environmental Review Commission.

Section: 13.9A
Title: FUNDS FOR CLEANUP AND MONITORING OF TEXFI SITE CONTAMINATION
Summary Appropriates $50,000 from the Solid Waste Management Trust Fund to be used for cleanup and monitoring at the Texfi site in Fayetteville. (S.B. 1329/H.B.1769)

Section: 13.10
Title: STRENGTHEN PLASTIC BAG RECYCLING
Summary Modifies G.S. 130A-309.121 in the following ways: provides a definition of recycled content; lowers the required recycled content of a paper bag from 100% to 40%; removes the definition of retail chain; applies the provision to all retailers; clarifies the definition of a reusable bag; and requires that retailers offer a cash refund for the use of reusable bags. This provision also requires the Department to monitor plastic bag use reduction and to report by January 15, 2012 on the impacts of the ban. Additionally, the provision allows retailers with less than 5,000 square feet to continue to use plastic bags that were purchased or contracted to purchase prior to May 1, 2010.

(S.L. 2010-123, Sec. 5.2, Budget Technical Corrections, amends this provision to clarify that a cash refund includes a credit against the cost of goods purchased.)

Section: 13.11
Title: PARKS AND RECREATION TRUST FUND/AUTHORITY TO CONSIDER OPERATING EXPENSES
Summary Amends G.S. 113-44.15 to require that the North Carolina Parks and Recreation Authority consider the operating expenses associated with each capital project, repair and renovation project, and land acquisition when making State Park System funding allocations. The Authority shall consider both a minimal level of operating expenses as well as an optimal level of expenses for each project. The Authority shall include information on expected operating expenses in the annual report submitted on October 1 of each year.

Section: 13.12
Title: RECLASSIFY SEVEN VACANT POSITIONS IN THE DIVISION OF PARKS AND RECREATION
Summary Directs the Department to reclassify and fill seven vacant positions to provide staffing support for new and expanding parks within the State Park System.
Section: 13.13
Title: **STATE PARKS SYSTEM PLAN**

Summary: Amends G.S. 113-44.11 to add a requirement that the Department electronically submit the State Park System Plan and a summary of each change made to the Plan to the Environmental Review Commission, the Senate and House of Representatives Appropriations Subcommittees on Natural and Economic Resources, and the Fiscal Research Division no later than October 1 of each year.

Section: 13.14
Title: **NO NEW FEES FOR PARKING IN STATE PARKS**

Summary: States that fees shall neither be charged nor collected for parking in a State Park during the 2010-11 Fiscal Year unless such fees were charged prior to the 2010-11 Fiscal Year.

Section: 13.15
Title: **AUTHORITY FOR THE DEPARTMENT OF REVENUE TO SHARE INFORMATION WITH DENR**

Summary: Amends G.S. 105-259(b) to authorize the Department of Revenue to share pertinent contact and financial information on companies that are involved in the primary processing of timber products with the Department of Environment and Natural Resources.

Section: 13.16
Title: **DIVISION OF MARINE FISHERIES AND DIVISION OF FOREST RESOURCES AIRCRAFT MAINTENANCE**

Summary: Directs the Division of Marine Fisheries to utilize mechanics employed by the Division of Forest Resources for aircraft maintenance whenever practical. The Division of Forest Resources shall provide this maintenance and develop a process to establish priorities for fulfilling aviation maintenance needs for both Divisions.

Section: 13.17
Title: **PURCHASE OF COMPUTER SOFTWARE BY DENR FOR DENR AIRCRAFT FLIGHTS AND MAINTENANCE RECORDKEEPING**

Summary: Directs the Department to purchase computer software to establish and maintain a record of flights and maintenance of all aircraft in the Department. The Department shall use funds from the sale of aircraft to purchase this software.

Section: 13.18
Title: **REPORT ON DENR AVIATION ACTIVITIES**

Summary: Directs the Department to submit a report to the Joint Legislative Commission on Governmental Operations, the House of Representatives and Senate Appropriation Subcommittees on Natural and Economic Resources, and the Fiscal Research Division on aviation activities by October 1. The report shall describe the uses of the Departments aircraft fleet, explain the Department's progress in implementing the eight best management practices recommended by the Program Evaluation Division in Report 2010-04, and provide a summary of and implementation plan for the recommendations of the Conklin & de Decker report due in August 2010.
Section: 13.21
Title: **CLOSE/TRANSFER CERTAIN DENR SPECIAL FUNDS**

Summary
Directs the Department to close or transfer several special funds. Subsection (a) closes two special funds in the Division of Soil and Water Conservation. Subsection (b) closes the Division of Water Quality's Lab Certification Fees special fund. Subsections (c), (d), (e), and (f) implement many of the recommendations from the study of the Department's special funds required by Section 13.1F of S.L. 2009-451. Actions include closing ten special funds, transferring four special funds, and closing budget code 24308 by transferring all remaining special funds to budget code 24300.

2010 Session: **SB 1202**

Department: Environment & Natural Resources

Section: 5.1
Title: **TECHNICAL CHANGE: HAZARDOUS WASTE FEES**

Summary
Amends S.L. 2010-31, Sec. 13.8B, Appropriations Act of 2010, to clarify that the new hazardous waste fees are for fees assessed on or after July 1, 2010.

Section: 5.2
Title: **TECHNICAL CHANGE: PLASTIC BAG RECYCLING**

Summary
Amends S.L. 2010-31, Sec. 13.10(b), Appropriations Act of 2010, to clarify that a cash refund includes a credit against the cost of goods purchased.

Section: 5.3
Title: **TECHNICAL CHANGE: USE OF HAZARDOUS WASTE FEES**

Summary
Notwithstanding G.S. 130A-294.1 to allow $250,000 of the Hazardous Waste Fund (24300-2387) to be used to provide implementation and oversight of activities involving actions necessary to respond to inactive hazardous substance or waste disposal sites and compliance and prevention activities within the solid waste program to ensure that hazardous waste is not disposed of in solid waste management facilities.

Section: 11.7
Title: **BUDGET CHANGE: AQUARIUMS**

Summary
Specifies that the General Fund reduction to the Aquariums shall be managed through increased fees and budgeted gate admissions. However, the amount of fees to be raised and gate admissions to be budgeted is not specified.

Section: 11.8
Title: **TECHNICAL CHANGE: DIVISION OF FOREST RESOURCES AIRCRAFT**

Summary
Clarifies that the Division shall reduce its fleet by not less than 10 aircraft and that State owned aircraft are to be sold and federally owned aircraft are to be returned to the federal government.
### DENR-Clean Water Management Trust Fund

<table>
<thead>
<tr>
<th><strong>Total Budget Approved 2009 Session</strong></th>
<th><strong>FY 10-11</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$50,000,000</td>
</tr>
</tbody>
</table>

#### Budget Changes

**Clean Water Management Trust Fund**

82 No Change

Receives appropriation per S.L. 2009-451.

#### Total Position Changes

<table>
<thead>
<tr>
<th><strong>Revised Total Budget</strong></th>
<th><strong>$50,000,000</strong></th>
</tr>
</thead>
</table>
2010 Annotated Committee Report

Commerce

General Fund

Total Budget Approved 2009 Session

| FY 10-11 | $40,915,209 |

Budget Changes

Department-wide

83 Vacant Positions

Eliminates 4.0 vacant positions in the Department: 1.0 position in Policy, Research, and Planning; 2.0 positions in Business and Industry; and 1.0 position in the Secretary's Office. The positions are:

- #60077154 Administrative Assistant
- #60080971 Administrative Assistant
- #60080963 Program Assistant IV
- #60081030 Economist

84 IT Budget Reduction

Reduces the Department of Commerce's non-salary IT budget by 7.9%. This reduction is based on the average difference between budgeted and actual expenditures for the past four fiscal years.

85 Travel Budget Reductions

Reduces the budget for payments to the Motor Fleet Management (MFM) Division by 7.5%. This decrease reflects the recent rate reduction implemented by MFM.

Administration

86 Operating Budget Reduction

Reduces the operating budget for administration by $20,000
Business and Industry

87 Business Recruitment and Product Marketing
Provides funding to attract businesses to locate operations in North Carolina and to increase the sale of North Carolina exports, including agricultural commodities. $875,000 NR

88 Operating Budget Reduction
Reduces the operating budget for the Division of Business and Industry Development by $30,000. ($30,000) R

Commerce Finance

89 Jobs Maintenance and Capital Development Fund (JMAC)
Appropriates $6 million for Bridgestone/Firestone and Goodyear agreements for the 2009 Grant Year. $6,000,000 NR

90 Jobs Maintenance and Capital Development Fund (JMAC)
Appropriates $500,000 for a pending agreement with Domtar for the 2010 Grant Year. $500,000 NR

91 One NC Fund
Provides additional funding for the One NC Fund to enhance the competitive position of North Carolina when recruiting national and international business and industry projects. Three percent of these funds shall be used for small business expansion. (S.B. 1387; S.L. 2010-31, Sec. 14.1) $12,500,000 NR

92 One NC Small Business Fund
Funds the One NC Small Business Fund program, which provides matching grants to businesses that qualify for federal SBIR/STTR Incentives funds. (S.B. 608, H.B. 1721) $1,500,000 NR

93 In-Source NC Network
Provides funding to develop university-based buyer-supplier networks within emerging and established industry clusters inside the State. These buyer-supplier networks would be modeled on an existing network developed and operated through the NCSU College of Textiles. $150,000 NR
Community Assistance

94 Main Street Solutions
Provides funding for the Main Street Solutions Program and the creation of one two-year time limited position to administer the program. This program provides grants to active Main Street Communities and designated micropolitans with populations between 10,000 and 50,000 people. Grants are to be used to support downtown economic development, historic preservation initiatives, and other public and private improvement projects that will support small businesses and job creation. (S.L. 2010-31, Sec. 14.6A)

Executive Aircraft

95 Aircraft to DOT
Eliminates the Executive Aircraft Division within the Department of Commerce, including 1.0 pilot position, 1.0 mechanic position, and $300,000 in associated position and operating expenses. 3.0 pilots, 1.0 mechanic, $500,000, and Commerce's two aircraft and their associated receipts will be transferred to the Aviation Division within the Department of Transportation (DOT). Commerce will retain $127,315 for expenses related to using DOT's aircraft. This reduction reflects recommendations from the Program Evaluation Division's Study of State Aircraft. (S.L. 2010-31, Sec. 14.6)

Industrial Commission

96 Over Realized Receipts
Requires the Industrial Commission to budget over realized receipts.

International Trade

97 International Trade
Provides funds to help create additional export opportunities for NC companies in Asian and South American markets and to increase North Carolina investment interest from Asian and South American companies.

Policy, Research, and Strategic Planning

98 Operating Budget Reduction
Reduces the operating budget for the Policy, Research, and Strategic Planning Division by $20,000
Science and Technology

99 Energy Research Grants
Appropriates $1 million to Commerce for matching funds for US Department of Energy grants to support energy research and green jobs. (S.B. 1428, H.B. 1985)

100 Operating Budget Reduction
Reduces the Board of Science and Technology's budget by approximately 5%.

State Energy Office

101 Utility Training Sessions
Reduces funding for training sessions offered by the Utility Savings Initiative Program in the State Energy Office. These sessions are offered to representatives of State agencies on various energy efficiency topics. Approximately 35 fewer sessions will be held as a result of this reduction.

Tourism, Film, and Sports Development

102 Tourism Marketing Funds
Provides funding for marketing North Carolina as a tourist destination. The Department is encouraged to use historically underutilized businesses and to support supplier diversity when expending these funds. (S.L. 2010-31, Sec. 14.10A)

103 Tourism Matching Grants
Eliminates 100% of funds for small matching grants for local tourism projects.

Wanchese Seafood Industrial Park

104 Oregon Inlet Project
Eliminates funding for the Oregon Inlet Project for FY 2010-11.

105 Operating Budget Reduction
Reduces the Wanchese Seafood Industrial Park's operating budget by approximately 5%. (S.L. 2010-31, Sec. 14.5)
## Wine & Grape Growers Council

### 106 Operating Budget Reduction

Reduces the Wine & Grape Growers Council operating budget by approximately 13%. (S.L. 2010-31, Sec. 14.10)

<table>
<thead>
<tr>
<th>Budget Change</th>
<th>Amount</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Budget Reduction</td>
<td>($108,357)</td>
<td>R</td>
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</tbody>
</table>

| Revised Total Budget | $63,185,854 |

<table>
<thead>
<tr>
<th>Total Position Changes</th>
<th>$2,706,028</th>
<th>R</th>
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</thead>
<tbody>
<tr>
<td>Revised Total Budget</td>
<td>$63,185,854</td>
<td></td>
</tr>
</tbody>
</table>
Special Provisions

2010 Session: SB 897

Department: Commerce

Section: 14.1
Title: ONE NORTH CAROLINA FUND
Summary: Sets forth boilerplate language that allows the Department of Commerce to use up to $300,000 of funds available in the One NC Fund for administration of this and other economic development programs.

Section: 14.2
Title: NER BLOCK GRANTS
Summary: Appropriates $45 million in federal Community Development Block Grant (CDBG) funds for FY 2010-11. Provides for subsequent increases or decreases in fund availability and places limitations on the use of CDBG funds. Requires the Department to consult with the Joint Legislative Commission on Governmental Operations (Gov Ops) prior to reallocating funds, except when an emergency arises that poses a threat to public health or safety or if future funding might be adversely affected. Requires the Department to report to Gov Ops by September 1 on the used of CDBG funds appropriated in the prior fiscal year.

Section: 14.2A
Title: NER BLOCK GRANTS/REALLOCATE 2010 PROGRAM YEAR FUNDING
Summary: Reallocates FY 2009-10 CDBG funding across existing categories and creates a new category called NC CDBG Economic Recovery. This category covers infrastructure, housing, and special projects. CDBG received more proposals than it could fund in response to its American Recovery and Reinvestment Act funding announcement; this reallocation will allow CDBG to fund some of those proposals using regular program money.

Section: 14.3
Title: STATE AGENCIES AND INSTITUTIONS/GREATER ENERGY EFFICIENCY REPORTING AND COMPLIANCE
Summary: Modifies G.S. 143-64.12 to clarify the role of the Department of Administration and the State Energy Office (SEO) regarding energy audits, management plans, and reporting. This provision also adds a new reporting requirement for SEO to report to the Joint Legislative Commission on Governmental Operations by December 1 of each year. SEO's report shall contain information regarding energy use, including the comprehensive program to manage energy, water, and other utility use, any new measures that could be taken to achieve greater efficiency gains, and which institutions and agencies that did and did not submit required reports.

Section: 14.4
Title: LOCAL WORKFORCE DEVELOPMENT BOARDS/CONSUMER CHOICE REQUIREMENTS
Summary: Amends G.S. 143B-438.11(a) to add that Local Workforce Development Boards shall provide appropriate guidance and information including ensuring that consumer choice is maintained at one-stop centers by providing information on both public and private training providers.
Section: 14.5
Title: **WANCHESE SEAFOOD INDUSTRIAL PARK/OREGON INLET FUNDS**
Summary Prevents any unexpended or unencumbered funds appropriated to the Wanchese Seafood Industrial Park from reverting to the General Fund. This provision removes language that prevented Oregon Inlet funds from reverting as funding for the Oregon Inlet project was not provided in the budget.

Section: 14.6
Title: **CONSOLIDATE PASSENGER AIRCRAFT**
Summary Transfers the Department's Executive Aircraft Division to the Department of Transportation via a Type I transfer. This provision also repeals G.S. 143B-437.011 which restricted the use of aircraft owned by the Department of Commerce. It creates new G.S. 136-102.9 which prioritizes the use of Transportation's aircraft with economic development taking precedence over all other uses except for emergency or disaster response.

Section: 14.6A
Title: **MAIN STREET SOLUTIONS FUND**
Summary Rewrites G.S. 143B-472.35 to clarify the intent and purpose of the Main Street Solutions Fund. The Fund will provide grants up to $200,000 on a two-to-one matching basis to eligible local governments, including active main street communities and designated micropolitans in Tier 2 and 3 counties. Funds are to be used for downtown revitalization and related projects to stimulate private investment and small businesses. This provision also requires the Department to report by September 1 to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the uses of the Fund. The provision further allows for up to $75,000 to be used annually for administrative expenses.

Section: 14.8
Title: **AMEND JDIG REPORTING REQUIREMENTS**
Summary Amends G.S. 143B-437.55 such that the Department is required to submit the annual JDIG report to the House and Senate Finance Committees, the House and Senate Appropriations Subcommittees on Natural and Economic Resources, and the Fiscal Research Division. The provision further clarifies that quarterly reports are to be submitted to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

Section: 14.9
Title: **INDUSTRIAL DEVELOPMENT FUND/REPORTING REQUIREMENTS**
Summary Modifies G.S. 143B-437.01 to change the Industrial Development Fund reporting requirements from reporting to the General Assembly to reporting to the Joint Legislative Commission on Governmental Operations on September 1 of each year.

Section: 14.10
Title: **WINE AND GRAPE GROWERS COUNCIL/REPORTING REQUIREMENT**
Summary Amends G.S. 143B-437.90 to add that the Wine and Grape Growers Council must report by September 1 of each year to the House and Senate Appropriations Subcommittees on Natural and Economic Resources, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division on their activities, the status of the wine industry, the progress made on the State Viticulture Plan, and any contracts or agreements entered into by the Council.
Section: 14.10A

Title:  TOUGHS DESTINATION MARKETING

Summary  Repeats Section 14.11 of S.L. 2009-451 to require the Department to promote historically underutilized businesses and supplier diversity when marketing the State. This provision also adds a section to require the Department to report on its efforts regarding this requirement by September 1, 2010 and 2011 to the Joint Legislative Commission on Governmental Operations.

Section: 14.12

Title:  PROMOTE NORTH CAROLINA DISTILLED SPIRITS

Summary  Requires ABC Stores to display spirits distilled in North Carolina in an area dedicated to North Carolina products and allows the tasting of spirituous liquor at permitted distilleries. The Spirituous liquor tasting permit will cost $100.

Section: 14.13

Title:  EMPLOYMENT SECURITY COMMISSION FUNDS

Summary  Amends Section 14.17 of S.L. 2009-451 regarding funds for the Employment Security Commission (ESC). Subsection (a) allows up to $2.5 million from theESC Reserve Fund to be used as collateral to secure federal funds and to pay for the administrative costs associated with the collection of the ESC Reserve Fund surcharge. Subsection (b) appropriates $20 million from the ESC Reserve Fund for the following purposes:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESC Local Offices</td>
<td>$19,500,000</td>
</tr>
<tr>
<td>Training Program Participant Tracking</td>
<td>$200,000</td>
</tr>
<tr>
<td>ESC Common Follow-Up</td>
<td>$300,000</td>
</tr>
</tbody>
</table>

Subsection (c) appropriates $1 million from the Reserve fund to ESC to fund State initiatives not currently funded through grants. Subsection (d) appropriates $1.2 million from the Reserve Fund to upgrade the Common Follow-Up Management Information System. Subsection (e) appropriates funds from the Working Training Trust Fund to ESC to create the Tar Heel Works Program. Subsection (f) allows ESC to expend $205,063,552 of ARRA Modernization funds held by the Secretary of the Treasury of the United States in North Carolina's account in the Unemployment Trust Fund for the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Benefit and Tax Accounting System</td>
<td>$100,000,000</td>
</tr>
<tr>
<td>Operation of the Unemployment Insurance Program</td>
<td>$105,063,552</td>
</tr>
</tbody>
</table>

Section: 14.14

Title:  SET REGULATORY FEE FOR UTILITIES COMMISSION

Summary  Sets regulatory fees for utilities. The rate used to calculate the public utility regulatory fee is 0.12% for each public utility's North Carolina revenues earned during each quarter of the Fiscal Year. The electric membership corporation regulatory fee is $200,000. These rates are the same as in FY 2009-10.
2010 Annotated Committee Report

Commerce - State Aid

Budget Changes

107 Land Loss Prevention
Reduces the recurring pass-through appropriation for Land Loss Prevention by 5%, leaving $707,465 recurring.

108 Institute of Minority Economic Development
Reduces the recurring pass-through appropriation for the Institute of Minority Economic Development by 5%, leaving $2,517,405 recurring.

109 Association of Community Development Corporations (CDCs)
Reduces the recurring pass-through appropriation for the Association of CDCs by 5%, leaving $980,685 recurring.

110 Minority Support Center
Reduces the recurring pass-through appropriation for the Minority Support Center by 5%, leaving $3,128,730 recurring.

111 Community Development Initiative
Reduces the recurring pass-through appropriation for the Community Development Initiative by 5%, leaving $4,682,740 recurring.

112 e-NC Authority
Reduces the recurring pass-through appropriation for the e-NC Authority by 5%, leaving $442,035 recurring. (S.L. 2010-31, Sec. 14.16)
113 Councils of Government (COGs)  
Reduces the recurring pass-through appropriation for the COGs by 5%, leaving $403,750 recurring. (S.L. 2010-31, Sec. 14.18)  

114 High Point Furniture Market  
Reduces the recurring pass-through appropriation for the High Point Furniture Market by 5%, leaving $806,479 recurring.  

115 Defense and Security Technology Accelerator  
Reduces the non-recurring pass-through appropriation for the Defense and Security Technology Accelerator by 5%, leaving $950,000 non-recurring. (S.L. 2010-31, Sec. 14.17)  

116 Minority Support Center  
Provides $750,000 for funds for small business loans for those that have limited access to credit. (H.B. 1822)  

117 Regional Economic Development Commissions  
Provides funding for the seven Regional Economic Development Commissions. Each Commission shall receive a combination of recurring and nonrecurring funds. (S.B. 774, S.B. 1387, H.B 1755; S.L. 2010-31, Sec. 14.15)  

118 Biofuels Center  
Provides $5 million recurring for the Biofuels Center. (S.B 1205/H.B. 1787; S.B. 841/H.B. 400)  

119 Research Triangle Institute  
Provides $500,000 in nonrecurring matching funds for a US Department of Energy grant for energy research and green jobs. (H.B. 1985; S.L. 2010-31, Sec. 14.17A)  

120 Indian Economic Development Initiative  
Provides nonrecurring funding for the Indian Economic Development Initiative. (S.L. 2010-31, Sec. 14.17A)
<table>
<thead>
<tr>
<th>121 Institute for Regenerative Medicine</th>
<th>$10,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides funding for the Institute for Regenerative Medicine. (S.B. 1395)</td>
<td></td>
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**Budget Changes**

<table>
<thead>
<tr>
<th></th>
<th>$16,780,564</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$3,800,000</td>
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</tbody>
</table>

**Total Position Changes**

**Revised Total Budget**

|             | $35,969,289 |
Special Provisions

2010 Session: SB 897

Department: Commerce - State Aid

Section: 14.15
Title: REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS ALLOCATIONS
Summary: Allocates funds for the Regional Economic Development Commissions. Subsections (a) and (b) outline the three-step process for allocating the $5 million appropriation to the seven Regional Economic Development Commissions.

First, each county's allocation is calculated by dividing the county's development factor, which the Department of Commerce calculates using the Tier calculation formula, by the sum of the development factors for eligible counties and multiplying by the appropriation. Each Commission's allocation is the sum of its member counties.

Next, the allocation for NC's Eastern Region is reduced by the total interest earnings on the $7.5 million appropriated in 1993 for the, then named, Global TransPark Development Zone. In FY 2009-10, NC's Eastern Region reported $230,325 in total interest earnings, which includes both interest on the remaining balance and on loans made from the original appropriation.

Finally, the $230,325 is redistributed to the seven commissions using the same methodology as the original allocation.

Subsection (c) restricts individual salaries paid from State funds to no more than $120,000 per year; there is no restriction on the use of funds from other sources for this purpose. Subsection (d) encourages the commissions to seek funding from other sources.

Section: 14.16
Title: E-NC AUTHORITY/REPORTING REQUIREMENT
Summary: Amends G.S. 143B-437.47 by requiring an annual, not quarterly, report and specifying that the report is due by September 1 of each year.

Section: 14.17
Title: DEFENSE AND SECURITY TECHNOLOGY ACCELERATOR/REPORTING REQUIREMENT
Summary: Requires the Defense and Security Technology Accelerator to report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on its use of State funds during the prior State fiscal year by September 1 of 2010 and 2011.

Section: 14.17A
Title: NC INDIAN ECONOMIC DEVELOPMENT INITIATIVE/RTI INTERNATIONAL/REPORTING REQUIREMENTS
Summary: Requires the NC Indian Economic Development Initiative and RTI International to report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on their use of State funds during the prior State fiscal year by September 1, 2011. These organizations must also provide a copy of their annual audited financial statement within 30 days of issuance.
Amends Section 14.21(a) of S.L. 2009-451 to appropriate $403,750 to the State's seventeen Councils of Government (COGs) for FY 2010-11. Reporting requirements established in S.L. 2009-451 remain in effect; each COG must submit an annual report by September 1 of each year and audited financial statements within 30 days of issuance.
## N.C. Biotechnology Center

### General Fund

<table>
<thead>
<tr>
<th>Total Budget Approved 2009 Session</th>
<th>FY 10-11</th>
</tr>
</thead>
<tbody>
<tr>
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<td>$14,501,900</td>
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### Budget Changes

<table>
<thead>
<tr>
<th>122 Operating Funds</th>
<th>$5,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provides additional funding for the Biotechnology Center.</td>
<td>(H.B. 371/S.B. 532)</td>
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</table>

### Revised Total Budget

<table>
<thead>
<tr>
<th>Revised Total Budget</th>
<th>$19,501,900</th>
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</table>
Special Provisions

2010 Session: SB 897

Department: N.C. Biotechnology Center

Section: 14.18A

Title: STRATEGIC PLAN ON THE COMMERCIALIZATION OF LIFE SCIENCE TECHNOLOGIES

Summary: Directs the North Carolina Biotechnology Center to prepare a strategic plan to accelerate the commercialization of promising life science technologies being developed in universities and private businesses. The plan shall be submitted to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by January 15, 2011.
2010 Annotated Committee Report

Rural Economic Development Center

**Budget Changes**

**123 Operating Reductions**
Reduces the recurring pass-through appropriation for the Rural Center by 5%, leaving $22,640,814 recurring. (S.L. 2010-31, Sec. 14.19, 14.20, and 14.21)

**124 Home Grown Jobs**
Provides additional funding for the Rural Center's Building Reuse and Restoration Program to strengthen the capacity of rural communities to compete for and attract new and expanding businesses. Funding for small-scale regional community development projects is also included.

**125 Small Business Assistance Fund**
Provides funding to the Rural Center to continue the Small Business Assistance Fund. (H.B. 1721, S.B. 1414)

**126 Family Farm Opportunity and Innovation Fund**
Provides funding for the Rural Center to provide assistance to farmers via grants up to $20,000 in three areas:
1. Improving energy efficiency on the farm
2. Developing new markets
3. Developing new products

**Budget Changes**

($1,191,622)  R

$5,125,000  NR

**Total Position Changes**

($1,191,622)  R

$5,125,000  NR

**Revised Total Budget**

$27,765,814
Special Provisions

2010 Session: SB 897

Department: Rural Economic Development Center

Section: 14.19
Title: RURAL ECONOMIC DEVELOPMENT CENTER
Summary: Reallocates the $4.6 million general appropriation the Rural Center receives to reflect the 5% reduction made in the Committee Report.

Section: 14.20
Title: RURAL ECONOMIC DEVELOPMENT CENTER/INFRASTRUCTURE PROGRAM
Summary: Reallocates the $18.3 million appropriation the Rural Center receives for the Infrastructure Program to reflect the 5% reduction made in the Committee Report.

Section: 14.21
Title: OPPORTUNITIES INDUSTRIALIZATION CENTERS FUNDS
Summary: Revises Section 14.30 of S.L. 2009-451 to reflect the 5% reduction made to the Opportunities Industrialization Centers.

Section: 14.22
Title: RURAL CENTER/REALLOCATION OF CLEAN WATER BOND FUNDS
Summary: Allows the Rural Center to reallocate Clean Water Bond Funds from 1998 across the three categories of unsewered, supplemental, and capacity. The Rural Center must report to the Joint Legislative Commission on Governmental Operations thirty days before any such reallocation.
2010 Annotated Conference Committee Report

North Carolina State Fair

Budget Code: 53750

FY 2010-11

Beginning Unreserved Fund Balance
$2,262,050

Total Budget Approved 2009 Session

Requirements $15,738,702
Receipts $14,768,425
Positions 67.00

Legislative Changes

Requirements:

Cash Balance
Transfers $1,000,000 of the June 30th, 2010 cash balance in the NC State Fair enterprise funds to the General Fund for general availability. This change is estimated to leave a cash balance of over $685,000.

Subtotal Legislative Changes
$0 $1,000,000

Receipts:

Cash Balance

Contingency and Emergency Fund Transfer
S.L. 2010-31, Budget Technical Corrections, transfers $1 million from the Contingency and Emergency Fund to the NC State Fair. (S.L. 2010-31, Sec. 1.2(d))

Subtotal Legislative Changes
$0 $1,000,000
<table>
<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Revised Total Requirements</td>
<td>$16,738,702</td>
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<tr>
<td>Revised Total Receipts</td>
<td>$15,768,425</td>
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<tr>
<td>Change in Fund Balance</td>
<td>($970,277)</td>
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<tr>
<td>Total Positions</td>
<td>67.00</td>
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<tr>
<td>Unappropriated Balance Remaining</td>
<td>$1,291,773</td>
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</table>
2010 Annotated Conference Committee Report

DENR - Special

**Budget Code:** 24300

<table>
<thead>
<tr>
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<tbody>
<tr>
<td><strong>Beginning Unreserved Fund Balance</strong></td>
</tr>
<tr>
<td>$20,914,606</td>
</tr>
</tbody>
</table>

**Total Budget Approved 2009 Session**

- **Requirements**: $63,100,266
- **Receipts**: $48,337,247
- **Positions**: 368.99

### Legislative Changes

**Requirements:**

- **2335 - Lab Certification Fee**
  - Transfers the Lab Certification fee operating budget from a special fund code to General Fund code 1635. (S.L. 2010-31, Sec. 13.21(b))
  - **Requirements**: $847,515
  - **Receipts**: $0
  - **Positions**: 0.00

- **2221 - Bladen Lakes Cash Balance**
  - Transfers $150,000 of the June 30th, 2010 cash balance in the Bladen Lakes fund to the General Fund for general availability. (S.L. 2010-31, Sec. 2.2(h) and Sec. 13.21(b))
  - **Requirements**: $0
  - **Receipts**: $150,000
  - **Positions**: 0.00

- **2119 - Mercury Pollution Prevention Fund**
  - Transfers $2.25 million from the cash balance of the Mercury Pollution Prevention Fund to the General Fund for general availability. (S.L. 2010-31, Sec. 2.2(h))
  - **Requirements**: $0
  - **Receipts**: $2,250,000
  - **Positions**: 0.00

- **2335 - Lab Certification Fees**
  - Transfers the cash balance from the Lab Certification Fees fund to the appropriate General Fund code for the Division of Water Quality. (S.L. 2010-31, Sec. 13.21(b))
  - **Requirements**: $0
  - **Receipts**: $459,830
  - **Positions**: 0.00

**Subtotal Legislative Changes**

- **Requirements**: $847,515
- **Receipts**: $2,859,830
- **Positions**: 0.00

### Receipts:

**Environment and Natural Resources**
2010 Annotated Conference Committee Report

<table>
<thead>
<tr>
<th>FY 2010-11</th>
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</thead>
<tbody>
<tr>
<td><strong>2335 - Lab Certification Fees</strong></td>
</tr>
<tr>
<td>Transfers the Lab Certification fee operating budget from a special fund code to General Fund code 1635. (S.L. 2010-31, Sec. 13.21(b))</td>
</tr>
<tr>
<td><strong>Subtotal Legislative Changes</strong></td>
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<p>| | |</p>
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<thead>
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<tbody>
<tr>
<td>Unappropriated Balance Remaining</td>
<td>$1,710,259</td>
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</table>
Solid Waste Management Trust Fund

FY 2010-11

Beginning Unreserved Fund Balance  
$6,798,949

Total Budget Approved 2009 Session

Requirements  
$7,383,604

Receipts  
$7,361,604

Positions  
9.31

Legislative Changes

Requirements:

6770 - Scrap Tire Disposal Account

$0  R
$0  NR
0.00

6780 - White Goods

$0  R
$0  NR
0.00

Subtotal Legislative Changes

$0  R
$0  NR
0.00

Receipts:

6770 - Scrap Tire Disposal

Diverts $2.5 million from the Scrap Tire Disposal Account to the General Fund for FY 2010-11. (S.L. 2010-31, Sec. 2.2(d))

$0  R
($2,500,000)  NR

6780 - White Goods

Diverts $1,200,000 from the White Goods Fund to the General Fund for FY 2010-11. (S.L. 2010-31, Sec. 2.2(e))

$0  R
($1,200,000)  NR

Subtotal Legislative Changes

$0  R
($3,700,000)  NR
### FY 2010-11

<table>
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<tr>
<th>Description</th>
<th>Amount</th>
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<td>Change in Fund Balance</td>
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<td>Total Positions</td>
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<td>Unappropriated Balance Remaining</td>
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</table>
2010 Annotated Conference Committee Report

Wildlife Resources - Special

Budget Code: 24350

FY 2010-11

Beginning Unreserved Fund Balance $923,486

Total Budget Approved 2009 Session
Requirements $62,615,438
Receipts $62,615,438
Positions 652.50

Legislative Changes

Requirements:

Transfer to General Fund
Budgets the Wildlife Resources Commission (WRC) $3 million transfer to the General Fund for general availability. WRC shall transfer $750,000 to the General Fund at the beginning of each quarter. (S.L. 2010-31, Sec. 2.2(h))

Subtotal Legislative Changes $0 R

Subtotal Legislative Changes $3,000,000 NR

Receipts:

Transfer to General Fund

Subtotal Legislative Changes $0 R

Subtotal Legislative Changes $0 NR
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<thead>
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<td>Revised Total Receipts</td>
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<tr>
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<tr>
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<td>Unappropriated Balance Remaining</td>
<td>($2,076,514)</td>
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</tbody>
</table>
JUSTICE
&
PUBLIC SAFETY
Correction

Budget Changes

1 Reduce Continuation Budget for Lower Population
Reduces continuation budget increases from FY 2009-10 to account for a lower-than-projected inmate population. Although the Division of Prisons remains overcrowded, new admissions have leveled following a surge in 2008 and 2009, resulting in a lower inmate count than previously expected as of June 30, 2010.

2 Budget Alien Assistance Receipts
Reduces General Fund appropriations to the Department of Correction by $872,000 to account for receipts from the federal State Criminal Alien Assistance Program.

3 ITS Billing Reduction
Reduces the appropriation to the Department of Correction for communications and other data processing to account for lower rates charged by the Office of Information Technology Services.

4 Transfer Four Positions to Receipt Support
Transfers four positions in the DOC Controller's Office that handle Inmate Welfare Fund accounting to receipt support from the Welfare Fund, and eliminates the General Fund appropriation for those positions.

5 Reduce Vehicle Replacement Budget
Reduces the Vehicle Replacement line item on a non-recurring basis.

6 Reduce Fuel Oil Budget
Reduces the Fuel Oil line item on a recurring basis.

7 Reduce PC Equipment
Reduces the Personal Computer Equipment line item on a non-recurring basis.

8 Reduce Equipment Accounts
Reduces various equipment accounts on a non-recurring basis.
2010 Annotated Committee Report

9 Reduce Supply Accounts
Reduces various supply accounts on a non-recurring basis. ($800,000) NR

10 Eliminate .223 Rifle Training
Eliminates a component of rifle training and reduces annual costs for ammunition and targets. ($54,757) R

11 Reduce Our Children's Place Funds
Reduces the pass-through appropriation for Our Children's Place by 5%, leaving $104,025. ($5,475) R

Alcoholism and Chemical Dependency Programs

12 Eliminate Four Program Positions
Eliminates four DACDP positions that work in the In-Prison Out Patient Services at South Piedmont, Western Youth and North Piedmont. ($211,060) R -4.00

Community Corrections

13 Reduce Criminal Justice Partnership Program
Reduces the Criminal Justice Partnership Program by $1.1 million nonrecurring, which leaves $8.3 million for allocations for county programs. This reduction will not affect the core operations of the program. ($1,100,000) NR

14 Reduce Contractual Services
Reduces the Contractual Services budget in the Division of Community Corrections. ($50,000) R

15 Eliminate Community Corrections Positions
Eliminates two Division of Community Corrections positions and their associated costs. These positions are duplicative due to the automation of the parole/post-release violation process. ($142,910) R -2.00

16 Reduce Harriet's House Funds
Reduces the pass-through appropriation to Passage Home for Harriet's House by 5%, leaving $195,938. ($10,313) R

17 Reduce Summit House Funding
Reduces the pass-through appropriation to Summit House by 5%, leaving $1,052,756. ($55,408) R

18 Reduce Women At Risk Funding
Reduces the pass-through appropriation to Women At Risk by 5%, leaving $249,375. ($13,125) R

Correction
2010 Annotated Committee Report

Prisons

19 Reduce Inmate Medical Costs
Reduces the appropriation for medical services for inmates based on capping fees paid as a percentage of billed charges. This reduction applies to inpatient and outpatient hospital services as well as professional services. (S.L. 2010-31, Sec. 19.6)

20 Eliminate Seven DOP Administrative Positions
Eliminates seven positions in the central office of the Division of Prisons. The Department has discretion to identify the positions to reach the cut level of $359,384.

21 Consolidate Administrative Positions at Prisons
Consolidates administrative functions between Brown Creek Correctional Center and Piedmont Correctional Institution and eliminates four duplicative positions.

22 Modify Close Custody Inmate Transfers
Reduces the transportation budget based on reducing the frequency of inter-facility transfers of close custody inmates from every week to every other week.

23 Reduce Drug Testing Frequency
Changes the drug testing policy to 10% instead of 15% frequency and reduces appropriations to pay for analysis.

24 Reduction in Clothing Budgets
Reduces funding for inmate clothing and officer uniforms within the Division of Prisons.

25 Operating Reserves for Central Prison Hospital
Establishes an operating reserve and creates positions to staff the Central Prison Hospital and Mental Health Facility. This facility is scheduled for completion in August 2011, and occupancy in October 2011. This reserve will allow positions to be established so staff can be recruited and trained prior to the projected occupancy date.

26 Operating Reserve for Women’s Prison Hospital
Establishes an operating reserve and creates positions to staff the hospital and mental health facility at NC Correctional Institution for Women, scheduled for completion in August 2011, and occupancy in October 2011. This fund will allow recruitment and training to be completed prior to occupancy.
27 Establish Community Work Crews
Provides funds for community work crews at prisons throughout the State. These crews provide labor services for local governmental entities.

28 Prisoner Education Program
The Prisoner Education Program is partially restored in the Community College System. Under this partial restoration, educational services will be provided to inmates in the areas of basic skills, general education, and vocational training. No services are provided for degree programs, nor for county jail or federal inmates. The funding is found in the Education section of the budget. (S.L. 2010-31, Sec. 8.3)

Budget Changes

<table>
<thead>
<tr>
<th>Description</th>
<th>Revised Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Position Changes</td>
<td>($14,504,334)</td>
</tr>
<tr>
<td>Revised Total Budget</td>
<td>($26,734,913)</td>
</tr>
</tbody>
</table>

799.00

$1,285,252,983
Special Provisions
2010 Session: SB 897

Department: Correction

Section: 19.1
Title: FEDERAL GRANT MATCHING FUNDS
Summary: Boilerplate provision that authorizes the Department of Correction to utilize up to $1.2 million in available funds to match federal grants. This is a standard annual provision.

Section: 19.2
Title: PLAN FOR A PILOT PROGRAM ON PROBATION SERVICES
Summary: Authorizes the Department of Correction, Division of Community Corrections (DCC), to develop a plan for implementing a pilot program on the privatization of probation services for low-risk or community-level offenders. No pilot program shall be implemented without the prior approval of the General Assembly. DCC shall report its plan to the Joint Legislative Corrections, Crime Control and Juvenile Justice Oversight Committee and the Fiscal Research Division by March 1, 2011.

Section: 19.3
Title: INCREASE FEES FOR PROBATION, PAROLE, AND POST-RELEASE SUPERVISION
Summary: Increases the monthly probation supervision fee from $30 to $40. This fee goes into effect October 1, 2010.

Section: 19.4
Title: INCREASE FEE FOR COMMUNITY SERVICE PROGRAM
Summary: Increases the one-time Community Service Program fee by $25 to $250.

(S.L. 2010-123, Sec. 6.3, Budget Technical Corrections, amends this section to clarify that the increased fee applies to persons ordered to perform community service on or after October 1, 2010.)

Section: 19.5
Title: MISDEMEANOR RECLASSIFICATION REPORT
Summary: Directs the Sentencing Commission to examine the classification of misdemeanor offenses and recommend reclassification of all Class 3 misdemeanors as either a Class 2 misdemeanor or an infraction. The Commission must report to the General Assembly for the 2011 session.
Section: 19.6
Title: INMATE MEDICAL COST CONTAINMENT
Summary Subsection (a) requires the Department of Correction to limit its payment rate to hospitals at 70% of the hospitals’ billed charge, and further requires hospitals to furnish the Department with a list of usual and customary charges for procedures in effect as of July 1, 2010.

Subsection (b) encourages the Department to limit medical costs by using its own hospitals and medical facilities whenever possible, and requires the Department to limit its utilization of any one non-Department hospital to no more than 5% of the Department’s overall hospital utilization for the year.

Subsection (c) directs the Department to work with the Division of Medical Assistance to establish procedures for the restoration of Medicaid eligibility for inmates who would otherwise be eligible when they require hospital placement.

Subsection (d) requires the Department, in consultation with the Office of State Budget and Management, to study the impact of Subsections (a), (b), and (c) on medical costs and report its findings to the Chairs of the House of Representatives and Senate Appropriations Subcommittees on Justice and Public Safety and to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee by March 1, 2011.

Subsection (e) encourages the Department to explore other cost containment methods not expressly outlined in the provision.

Subsection (f) requires the Department to report on its progress with the RFP process initiation pursuant to S.L. 2009-451, Sec. 19.20(b), Appropriations Act of 2009, and on the impact of the new hospital at Central Prison and the new facilities at the NC Correctional Institute for Women on inmate medical care. This report is due by October 1, 2010 to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee.

Subsection (g) requires the Department to report on the number of services that could be scheduled in advance, as well as the number of services that could not be scheduled in advance, and the percentage of each that are provided by contracted providers. This report is due October 1, 2010, to the Joint Legislative Commission on Governmental Operations.

Section: 19.7
Title: COMMUNITY-BASED RESIDENTIAL REENTRY PROGRAM FOR INMATES - PILOT INITIATIVE
Summary Allows the Department of Correction to enter into a contract with a community provider for housing and treatment of inmates within two years of their projected release date to facilitate community reentry. This pilot program will sunset during the 2011-12 Fiscal Year. The Department shall report on the outcome of the pilot by February 1, 2012, to the Chairs of the House of Representatives and Senate Appropriations Subcommittees on Justice and Public Safety and to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee.

Section: 19.8
Title: STUDY INMATE MEDICAL COSTS
Summary Allows the Legislative Research Commission to study the issue of inmate medical services and cost containment.
Section: 19.9
Title: CRIMINAL JUSTICE PARTNERSHIP PROGRAM GRANT REQUIREMENT
Summary Mandates that the Criminal Justice Partnership Program funding for personnel for satellite substance abuse centers shall only be used for personnel who provide direct services to offenders.

Section: 19.10
Title: PROHIBIT CONTRACTING FOR MAINTENANCE OF PRISONS
Summary Prohibits the Department of Correction from entering into new contracts with private vendors for maintenance services at prisons. The provision does not affect existing contracts, and any contracts in place as of June 30, 2010, may be renewed to continue current service levels but not expanded to additional prison facilities.

Special Provisions

2010 Session: SB 1202

Department: Correction

Section: 6.3
Title: TECHNICAL CHANGE: INCREASE FEE FOR COMMUNITY SERVICE PROGRAM
Summary Amends S.L. 2010-31, Sec. 19.4(b), Appropriations Act of 2010, to clarify that the increased fee applies to persons ordered to perform community service on or after October 1, 2010.
2010 Annotated Committee Report

Crime Control and Public Safety

Budget Changes

A. Department-wide

29 Eliminate Vacant Positions
Eliminates vacant positions throughout the Department.

B. Administration

30 Law Enforcement Support Services (LESS)
Partially restores a reduction to the LESS budget. In the 2009 Budget, LESS was directed to establish a fee schedule to become 100% receipt supported. They have been unable to find sufficient fees to sustain their operations. This item provides continued General Fund support to them while a fee schedule is developed. LESS coordinates the distribution of excess federal property for local law enforcement agencies, provides evidence and DNA storage, and administers a program to provide lower-cost vehicles and other equipment to law enforcement. (S.L. 2010-31, Sec. 17.1 and Sec. 17.2)

C. National Guard

31 National Guard Armory Maintenance
Provides funds for maintenance and operation of plant for the National Guard's 97 armories.

32 Transfer TAP to SEAA
Transfers the Tuition Assistance Program (TAP) for the National Guard to the State Education Assistance Authority (SEAA). The Education Section of the Budget shows a corresponding item, and also includes additional funding for the program. The total amount available for TAP for FY 2010-11 will be $1,862,815. (S.L. 2010-31, Sec. 17.3)

D. Alcohol Law Enforcement (ALE)

33 ALE Equipment Reduction
Reduces the appropriation for equipment for Alcohol Law Enforcement.
E. Victim's Compensation Services

34 Victim's Compensation Fund

Reduces the Victim's Compensation Fund budget on a nonrecurring basis. ($700,000) NR

F. Governor's Crime Commission

35 Sheriff's Association Funds

Provides funds to the NC Sheriff's Association for training for sheriffs and other law enforcement agencies across the State on methods to improve the inmate booking process. $100,000 NR

Budget Changes

($856,592) NR

($800,000) NR

Total Position Changes

-2.69

Revised Total Budget

$32,062,371
Special Provisions

2010 Session: **SB 897**

**Department:** Crime Control and Public Safety

Section: 17.1

**Title:** AMEND LAW ENFORCEMENT SUPPORT SERVICES FEE AUTHORITY

**Summary:** Moves the fee authority granted to Law Enforcement Support Services (LESS) in 2009 from G.S. 143B-475.2 to G.S. 143B-508.1. Clarifies that fees can apply to any law enforcement agency that receives services from LESS or to any agency for which LESS stores evidence. Prohibits fees for services related to Department of Defense excess property distribution.

Section: 17.2

**Title:** REQUIRE DEVELOPMENT AND REPORTING OF LESS FEE SCHEDULE

**Summary:** Directs the Department of Crime Control and Public Safety, in consultation with the Fiscal Research Division, to develop a fee schedule for the services provided by LESS. The Department shall report the fee schedule to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee and the Fiscal Research Division no later than October 1, 2010.

Section: 17.3

**Title:** TRANSFER TUITION ASSISTANCE PROGRAM

**Summary:** Transfers the National Guard's Tuition Assistance Program (TAP) from the National Guard to the State Education Assistance Authority.
## Budget Changes

### 36 Establish a Management Flexibility Reserve
Establishes a Management Reserve to provide the Administrative Office of the Courts the flexibility to determine where reductions can be made. (S.L. 2010-123, Sec. 6.4)

<table>
<thead>
<tr>
<th>General Fund</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Budget Approved 2009 Session</td>
<td>$3,400,000</td>
<td>R</td>
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<tr>
<td>Establish a Management Reserve</td>
<td>$3,300,000</td>
<td>NR</td>
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</table>

### 37 Reduce Technology Services Program
Reduces the budget for the Administrative Office of the Courts' Technology Services Program by 8%. The AOC is authorized to delay or cancel technology projects in its discretion to achieve this reduction.

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<thead>
<tr>
<th>General Fund</th>
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<tbody>
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<tr>
<td>Reduce Technology Services Program</td>
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</table>

### 38 Eliminate Vacant Central Office Positions
Eliminates vacant positions in the Central Administration of the Administrative Office of the Courts.

<table>
<thead>
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<tbody>
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<tr>
<td>Eliminate Vacant Central Office Positions</td>
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</tr>
</tbody>
</table>

### 39 Eliminate Vacant Field Positions
Eliminates vacant positions statewide. (S.L. 2010-123, Sec. 6.4)

<table>
<thead>
<tr>
<th>General Fund</th>
<th></th>
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</thead>
<tbody>
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<tr>
<td>Eliminate Vacant Field Positions</td>
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</table>

### 40 Reduce Operating Accounts to FY 2008-09 Levels
Reduces various operating budgets throughout the Department to FY 2008-09 actual expenditure levels.

<table>
<thead>
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<tbody>
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<tr>
<td>Reduce Operating Accounts to FY 2008-09 Levels</td>
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</table>

### 41 Reduce Dispute Settlement Center Pass Through
Reduces the pass-through appropriation to the Dispute Settlement Centers by 5%.

<table>
<thead>
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<tbody>
<tr>
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<td>$59,974</td>
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<tr>
<td>Reduce Dispute Settlement Center Pass Through</td>
<td></td>
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</tbody>
</table>

### 42 Reduce NC Bar-Civil Justice Funds
Reduces the pass-through appropriation to the NC State Bar for Access to Civil Justice by 5%.

(S.L. 2010-123, Section 11.9, Budget Technical Corrections, amends this item to correct a reference to the NC Bar Association.)

<table>
<thead>
<tr>
<th>General Fund</th>
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<tbody>
<tr>
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<td>$37,500</td>
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<tr>
<td>Reduce NC Bar-Civil Justice Funds</td>
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</table>

### 43 Reduce Financial Protection Law Center
Reduces the pass-through appropriation to the Financial Protection Law Center by 5%.

<table>
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<td>Budget Changes</td>
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<tr>
<td>------------------------</td>
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<tr>
<td>($7,518,061)</td>
<td>$450,319,124</td>
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<td>($5,916,294)</td>
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</table>

Judicial
Special Provisions

2010 Session: SB 897

Department: Judicial

Section: 15.1
Title: COLLECTION OF WORTHLESS CHECK FUNDS
Summary: Boilerplate provision that allows the Judicial Department to use funds remaining in the Collection of Worthless Check Fund for the purchase or repair of office or information technology equipment. The Department must report to the Joint Legislative Commission on Governmental Operations prior to using these funds.

Section: 15.5
Title: INCREASE CERTAIN COURT FEES
Summary: Increases various Court fees as follows:

- District Court - Criminal - from $95 to $100.50
- Failure to Comply - from $25 to $50
- Superior Court - Civil - from $93 to $125
- District Court - Civil - from $73 to $80

Fee increases go into effect October 1, 2010.

(S.L. 2010-123, Sec. 6.1, Budget Technical Corrections, amends this section to clarify that the effective date of the fees applies to costs or fees collected after October 1, 2010, unless the costs or fees are associated with misdemeanor or infraction cases in which the citation was issued before October 1, 2010, and is being disposed of through written appearance, waiver of trial or hearing, and plea of guilt or admission of responsibility. In those cases, the fee will be the amount specified in the notice portion of the defendant's copy of the citation.)

Section: 15.6
Title: CHILD SUPPORT FEE MODIFICATION
Summary: Conforms two currently conflicting statutes regarding the filing fee for actions related to child support.

Section: 15.7
Title: EXPERT FEES
Summary: Clarifies that the Administrative Office of the Court will establish rules regarding compensation of expert witnesses.

Section: 15.8
Title: PROVIDE CERTAIN COUNTERCLAIM FEES IN DOMESTIC VIOLENCE ACTIONS
Summary: Creates a new fee of $80 for Chapter 50B Counterclaim actions. This fee was a recommendation of the Joint Legislative Committee on Domestic Violence. This fee goes into effect October 1, 2010. (H.B. 1874/S.B. 1242)
Section: 15.9
Title: MODIFY FEES FOR RESUMPTION OF MAIDEN OR FORMER NAME
Summary: Creates a new fee of $10 for people requesting the resumption of maiden or remarriage surnames. This fee is effective October 1, 2010.

Section: 15.12
Title: MODIFICATION TO THE DUTIES OF THE DIRECTOR OF THE ADMINISTRATIVE OFFICE OF THE COURTS WITH RESPECT TO PAYMENT OF INTERPRETERS AND EXPERT WITNESSES
Summary: Clarifies that the Director of the Administrative Office of the Courts can prescribe policies and procedures for the appointment and payment of deaf and hearing-impaired interpreters.

Section: 15.13
Title: ESTABLISH A PILOT PROGRAM FOR ELECTRONIC FILING IN DOMESTIC VIOLENCE AND CIVIL NO-CONTACT CASES IN ALAMANCE COUNTY
Summary: Creates a pilot program for electronic filing in domestic violence cases in Alamance County, allowing the clerk of superior court in that county to accept electronically filed complaints requesting domestic violence protective orders. The program will expire June 30, 2012.

Special Provisions

2010 Session: SB 1202

Department: Judicial

Section: 6.1
Title: TECHNICAL CHANGES: INCREASE CERTAIN COURT FEES
Summary: Amends S.L. 2010-31, Sec. 15.5, Appropriations Act of 2010, to clarify that the effective date of the fees applies to costs or fees collected after that date, unless the costs or fees are associated with misdemeanor or infraction cases in which the citation was issued before October 1, 2010, and is being disposed of through written appearance, waiver of trial or hearing, and plea of guilt or admission of responsibility. In those cases, the fee will be the amount specified in the notice portion of the defendant's copy of the citation.

Section: 6.4
Title: TECHNICAL CHANGE: ALIGN STATUTORY STAFFING NUMBERS TO BUDGET REDUCTION ACTIONS
Summary: Amends S.L. 2010-31, Appropriations Act of 2010, by adding a new Section 15.14 to notwithstanding existing statutes regarding staffing levels. This provision allows the Judicial Department to use its discretion in eliminating vacant field positions and administering the Management Flexibility Reserve reduction as required by the Committee Report.

Section: 11.9
Title: BUDGET CHANGE: NC State Bar Funds
Summary: Changes a reference in the Committee Report from the NC Bar Association to the NC State Bar.
Budget Changes

Department-wide

44 Reduce Various Operating Accounts
Reduces the operating budget in temporary personnel, registration fees, travel, communications, books and publications, and other operating expenses. ($264,200) R

Indigent Person Attorney

45 Reduce PAC Continuation Budget
Reduces the Private Assigned Counsel (PAC) Continuation Budget. The Office of Indigent Defense Services expects to end the fiscal year without carrying forward any unpaid PAC bills. ($5,875,000) NR

46 Reduce NC Prisoner Legal Services Program budget
Reduces the NC Prisoner Legal Services Program (PLS) budget by 5% nonrecurring, leaving $2.7 million recurring. ($142,031) NR

47 Reduce Center for Death Penalty Litigation Funding
Reduces Center for Death Penalty Litigation appropriation by 5%, leaving $452,604. (S.L. 2010-31, Sec.15.4) ($23,821) R

48 Increase the Attorney Appointment Fee
Increases the Attorney Appointment Fee by $10 to $60. ($250,000) R

Sentencing Services

49 Restore Sentencing Services Program
Restores the Sentencing Services Program and adds a 5% reduction. $2,123,426 R

Budget Changes

$1,585,405 R

Total Position Changes

$115,700,384

Revised Total Budget

$115,700,384
Special Provisions

2010 Session: SB 897

Department: Judicial - Indigent Defense

Section: 15.3
Title: OFFICE OF INDIGENT DEFENSE SERVICES EXPANSION FUNDS
Summary Authorizes the Office of Indigent Defense Services (OIDS) to use up to $1 million in appropriated funds to create up to 12 new attorney positions and six new support positions in existing Public Defender district offices across the State.

Section: 15.4
Title: CORRECT DEATH PENALTY LITIGATION FUNDING AMOUNT
Summary Allows OIDS to use up to $452,604 for the 2010-11 fiscal year to contract with the Center for Death Penalty Litigation to provide training, consultation, brief banking, and other assistance to attorneys representing indigent capital defendants.

Section: 15.11
Title: INCREASE ATTORNEY APPOINTMENT FEE
Summary Increases the fee paid by the defendant for the appointment of an attorney by $10, from $50 to $60. Changes the amount of the fee credited to the Indigent Persons' Attorney Fee Fund from $45 to $55. The remaining $5 will be credited to the Court Information Technology Fund. This fee is effective October 1, 2010.
2010 Annotated Committee Report

Justice

Total Budget Approved 2009 Session

| FY 10-11 | $88,652,538 |

Budget Changes

A. Department-wide

50 Eliminate Vacant Positions
_eliminates vacant positions throughout the agency._

51 Operating Reductions
_reduces various operating budgets throughout the department to FY 2008-09 actual expenditure levels._

52 Reduce Salary Reserve
_reduces various personal services line items throughout the department to reflect actual salaries._

B. Legal Services

53 Increase Medicaid Fraud Recovery Receipts
_adjusts the budgeted receipts for Medicaid Fraud Recovery to reflect twelve months of collections. This reduction was implemented in the FY 2009-10 budget, but the reduction only accounted for six months of collections._

54 Medicaid Fraud Criminal Investigation Team
_provides funds to expand the Medicaid Fraud Criminal Investigation Team. The expanded unit will consist of sworn investigators, attorneys, program assistants, financial investigators, and administrative support personnel. This investigative unit is responsible for obtaining convictions of community service providers that commit fraud, recovering restitution and civil penalties for the benefit of the Medicaid Program and the Civil Forfeiture Fund, and deterring fraud. (S.L. 2010-31, Sec. 16.1)_

55 NC LEAF Funds
_reduces the pass-through appropriation for the NC Legal Education Assistance Fund (NC LEAF) by 5%. The FY 2010-11 appropriation for this non-profit will be $356,250._
## C. State Bureau of Investigation (SBI)

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Budget Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>56</td>
<td>SBI Equipment Reduction</td>
<td>($400,000)</td>
</tr>
<tr>
<td></td>
<td>Reduces the budget for equipment purchases in the State Bureau of Investigation.</td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>Crime Laboratory DNA Capacity</td>
<td>$221,156</td>
</tr>
<tr>
<td></td>
<td>Provides the SBI Crime Lab with additional professional staff to analyze DNA samples.</td>
<td></td>
</tr>
</tbody>
</table>

### Budget Changes

<table>
<thead>
<tr>
<th>Description</th>
<th>Budget Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Position Changes</td>
<td>($1,679,760)</td>
</tr>
<tr>
<td>Revised Total Budget</td>
<td>$85,647,778</td>
</tr>
</tbody>
</table>
Special Provisions

2010 Session: SB 897

Department: Justice

Section: 16.1

Title: REPORTING BY MEDICAID FRAUD CONTROL UNIT

Summary: Requires the Department of Justice to report annually on September 1 on the activities of the Medicaid Fraud Control Unit. The report will be submitted to the Chairs of the Appropriations Subcommittees on Justice and Public Safety and Health and Human Services and to the Fiscal Research Division.
## Budget Changes

### Community Services

**58 Reduce Project Challenge Funding**
- ($6,400) R
- Reduces the Project Challenge appropriation by 5%, leaving $121,600. Project Challenge continues to receive $1.4 million from county Juvenile Crime Prevention Councils.

### Department-wide

**59 Establish a Management Flexibility Reserve**
- ($3,872,171) R
- Establishes a Management Reserve to provide the Department the flexibility to determine where reductions can be made.

(S.L. 2010-123, Sec. 11.10, Budget Technical Corrections, amends this item to restore an elimination of 31.5 vacant positions, and increases the Management Flexibility Reserve by $1,158,829, from $2,713,342 to $3,872,171).

**60 Reduce Continuation Budget Increases**
- ($546,521) R
- Reduces Continuation Budget increases to a level at or below the FY 2008-09 Authorized Budget.

### Youth Development Centers

**61 Restore Samarkand YDC**
- $3,521,954 R
- Restores the Samarkand YDC in Moore County.

<table>
<thead>
<tr>
<th>Budget Changes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Position Changes</td>
<td>62.00</td>
</tr>
<tr>
<td>Revised Total Budget</td>
<td>$146,280,807</td>
</tr>
</tbody>
</table>
Special Provisions

2010 Session: **SB 897**

**Department:** Juvenile Justice & Delinquency Prevention

**Section:** 18.1

**Title:** STATE FUNDS MAY BE USED AS FEDERAL MATCHING FUNDS

**Summary**  Allows the Department's State appropriation to count as the State match for federal Juvenile Justice Block Grant funds awarded to county and local governments.

**Section:** 18.2

**Title:** REPEAL STAFFING CAP AT YOUTH DEVELOPMENT CENTERS

**Summary**  Eliminates the cap on the number of staff at Youth Development Centers (YDCs) and provides the Department with additional flexibility to staff the YDCs within its existing resources.

Special Provisions

2010 Session: **SB 1202**

**Department:** Juvenile Justice & Delinquency Prevention

**Section:** 6.2

**Title:** TECHNICAL CHANGE: ELIMINATE SUPPORT OUR STUDENTS PROGRAM

**Summary**  Amends S.L. 2009-451, Sec. 18.6, Appropriations Act of 2009, to permit nonprofit organizations that purchase equipment or vehicles under a Support Our Students grant to keep the property for the continued use of the equipment or vehicles under the same conditions required by the grant instead of reverting the equipment or vehicles back to the agency.

**Section:** 11.10

**Title:** BUDGET CHANGE: INCREASES MANAGEMENT FLEXIBILITY REDUCTION

**Summary**  Restores an elimination of 31.5 vacant positions, and increases the Department's Management Flexibility reduction by $1,158,829 to $3,872,171.
GENERAL GOVERNMENT
Administration

Total Budget Approved 2009 Session

$67,446,884

Budget Changes

1111 Office of the Secretary

1 Reduce Various Operating Expenses
Reduces miscellaneous operating expenses.

Temporary services  ($104,089)
Contracted services  ($60,000)

1121 Fiscal Management

2 Transfer 1.5 FTE to Receipt Support
Transfers salaries and benefits for 1.5 FTE to receipt support:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>60014102</td>
<td>Accountant (0.50 FTE)</td>
<td>($64,103)</td>
</tr>
<tr>
<td>60014119</td>
<td>Accountant (0.25 FTE)</td>
<td>($4,995)</td>
</tr>
<tr>
<td>60014118</td>
<td>Accountant (0.50 FTE)</td>
<td>($6,660)</td>
</tr>
<tr>
<td>60014107</td>
<td>Accounting Clerk (0.13 FTE)</td>
<td>($7,493)</td>
</tr>
<tr>
<td>60014114</td>
<td>Accounting Technician (0.12 FTE)</td>
<td>($6,660)</td>
</tr>
</tbody>
</table>

53121 Salaries  ($64,103)
53151 Social Security  ($4,995)
53152 Retirement  ($6,660)
53156 Medical insurance  ($7,493)
1122 Human Resources Management

3 Transfer 1.2 FTE to Receipt Support

Transfers salaries and benefits for 1.2 FTE to receipt support:

- 60014092: Staff Development Specialist III (0.20 FTE)
- 60014094: Safety Officer III (0.20 FTE)
- 60014098: Personnel Technician I (0.20 FTE)
- 60014096: Personnel Technician II (0.20 FTE)
- 60014093: Personnel Analyst II (0.20 FTE)
- 60014097: Personnel Analyst II (0.20 FTE)

Transfer 1.2 FTE to Receipt Support

1123 Historically Underutilized Businesses

4 Reduce Operating Expenses

Reduces operating expenses, including travel, conference fees, and contracted services.

1241 Management Info. Systems

5 Reduce LAN Serv Chg

Reduces LAN Service Charge:

- 532822: ($56,521)

1264 Agency for Public Telecommunications

6 Transfer 1.0 FTE to Receipt Support

Transfers salary and benefits for 1.0 FTE to receipt support:

- 60014549: TV Producer/Director II

Transfer 1.0 FTE to Receipt Support
Assuming the adoption of S.B. 1213, "Amend State Purchases and Contracts Laws," provides funding for 0.75 FTE and associated costs. S.B. 1213 expands the contracting responsibilities of the Office of State Personnel (OSP) to work with the Department of Administration and the University of North Carolina School of Government to develop a Contract Management Training and Certification Program for State employees. In order to perform the work required by S.B. 1213, OSP requires an additional 0.75 FTE position (Human Resource Consultant) in FY 2010-11 and associated operating costs. Salaries and benefits are budgeted for 10 months for FY 2010-11 with a start date of October 1, 2010:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211</td>
<td>Salaries</td>
<td>$40,250</td>
</tr>
<tr>
<td>531511</td>
<td>Social Security</td>
<td>$3,079</td>
</tr>
<tr>
<td>531521</td>
<td>Retirement</td>
<td>$4,230</td>
</tr>
<tr>
<td>531561</td>
<td>Medical Insurance</td>
<td>$3,697</td>
</tr>
<tr>
<td>5331xx</td>
<td>General Admin. Supplies</td>
<td>$37,500</td>
</tr>
</tbody>
</table>

(S.L. 2010-194; S.B. 1213/H.B. 1851)

Reducer Various Operating Accounts ($365,336)

Reduce various operating accounts:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>532821</td>
<td>Computer/Data Processing Services</td>
<td>($185,395)</td>
</tr>
<tr>
<td>532170</td>
<td>Temporary Employees</td>
<td>($50,000)</td>
</tr>
<tr>
<td>532700</td>
<td>Travel</td>
<td>($15,000)</td>
</tr>
<tr>
<td>533110</td>
<td>Supplies - General Office</td>
<td>($15,000)</td>
</tr>
<tr>
<td>534511</td>
<td>Supplies - Office Furniture</td>
<td>($10,000)</td>
</tr>
<tr>
<td>535830</td>
<td>Membership &amp; Dues</td>
<td>($15,000)</td>
</tr>
<tr>
<td>536905</td>
<td>Employer OJT Incentive</td>
<td>($15,941)</td>
</tr>
<tr>
<td>532143</td>
<td>LAN Support Serv.</td>
<td>($10,000)</td>
</tr>
<tr>
<td>532144</td>
<td>PC Printer Support Serv.</td>
<td>($20,000)</td>
</tr>
<tr>
<td>532812</td>
<td>Telecomm. Data Charge</td>
<td>($12,000)</td>
</tr>
<tr>
<td>532822</td>
<td>Managed LAN Services</td>
<td>($7,000)</td>
</tr>
<tr>
<td>532930</td>
<td>Registration Fees</td>
<td>($10,000)</td>
</tr>
</tbody>
</table>

Eliminate Filled Position ($82,039)

Eliminates salaries and benefits for 1.0 filled position:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>60013771</td>
<td>HR Partner</td>
<td>-1.00</td>
</tr>
<tr>
<td>531211</td>
<td>Salary</td>
<td>($65,259)</td>
</tr>
<tr>
<td>531511</td>
<td>Social Security</td>
<td>($4,992)</td>
</tr>
<tr>
<td>531521</td>
<td>Retirement</td>
<td>($6,859)</td>
</tr>
<tr>
<td>531561</td>
<td>Medical Insurance</td>
<td>($4,929)</td>
</tr>
</tbody>
</table>
1411 State Construction Office

10 Eliminate 2.0 Filled and 1.0 Vacant Positions ($233,914) R
Eliminates salaries and benefits of two filled positions and one vacant position. Specific positions for elimination have not yet been identified; the Department has flexibility to consolidate and/or eliminate positions in order to meet this reduction.

1412 State Property Office

11 Eliminate 1.0 Vacant Position ($57,967) R
Eliminates salary and benefits for 1.0 vacant position:
-1.00
60014649: Administrative Assistant II

531211 Salaries ($44,886)
531511 Social Security ($3,434)
531521 Retirement ($4,718)
531561 Medical Insurance ($4,929)

1421 Facilities Management

12 Reduce Operating Expenses ($211,849) R
Reduces operating expenses:

534500 Equipment ($100,000)
532500 Equipment rental ($50,000)
533300 Vehicle Operating Costs ($50,000)
532300 Repairs ($11,849)

13 Shift Recycling Costs to Receipt Support ($29,503) R
Shifts recycling costs to receipt support. Receipts are from other state agencies whose recycling services are provided by DOA in buildings that are not owned by DOA.

14 Provide Funding to Support the New North Carolina Museum of Art Building $1,310,260 R
Adds 8.0 FTEs, increases budgeted utility costs, and increases various operating expenses. Salaries and benefits are budgeted for 10 months for FY 2010-11 with a start date of September 1, 2010:

531211 Salary $387,143
531511 Social Security $29,617
531521 Retirement $40,688
531561 Hospitalization $32,860
531631 Worker's Compensation $5,777
532210 Engr Serv - Electrical $302,462
532220 Engr Serv - Nat Gas/Propane $163,979
532230 Engr Serv - Water & Sewer $23,126
532911 Property Insurance $72,155
533510 Uniforms $2,454
532199 Misc. Contractual Services $250,000
15 Reduce Janitorial Services
Reduces janitorial services.

16 Eliminate 2.0 Vacant Positions
Eliminates salaries and benefits for two vacant positions:

- 60014806: Building & Environmental Supervisor ($29,575)
- 60014846: Facilities Maintenance Tech. - Building Trades ($37,436)

531211 Salaries ($67,011)
531511 Social Security ($5,126)
531521 Retirement ($7,043)
531561 Medical Insurance ($4,929)

17 Eliminate 4.0 Filled Positions
Eliminates salaries and benefits of four filled positions:

- 60014738 Construction & Renovation Design Tech I
- 60014742 Electronics Technician III
- 60014769 Administrative Assistant III
- 60014777 Processing Assistant IV

531211 Salaries ($148,202)
531511 Social Security ($11,337)
531521 Retirement ($15,576)
531561 Medical Insurance ($19,716)
1511 Purchase and Contracts

18 Provide Funding for S.B. 1213 (Amend State Purchases and Contracts Laws) $818,272 R
Assuming the adoption of S.B. 1213, "Amend State Purchases and Contracts Laws," provides funding for 8.0 FTE and associated costs. S.B. 1213 expands the contracting responsibilities of the Department of Administration to provide oversight of the review and award of contracts. In order to perform the work required by S.B. 1213, the Department requires an additional eight positions (4 Compliance Monitors, 2 Procurement Training Specialists, 1 Compliance Monitor, and 1 Procurement Standards position) and associated operating costs:

531211 Salaries $426,987
531511 Social Security $32,665
531521 Retirement $44,876
531561 Medical Insurance $39,432
53121xx Contractual Services $207,432
5323xx Repair Services $480
5324xx Maintenance Agreements $1,600
5327xx Travel $19,200
5328xx Communications/Data Proc. $12,000
5329xx Other Services $1,600
5331xx General Admin. Supplies $4,000
5345xx Equipment $28,000

(S.L. 2010-194; S.B. 1213/H.B. 1851)

19 Reduce Various Operating Expenses ($12,500) R
Reduces budget for repairs to building.

20 Transfer 2.9 FTE to Receipt Support ($225,268) R
Transfers salaries and benefits of 2.9 FTE to receipt support:
60013901: State Procurement Specialist III (1.0 FTE)
60013860: State Procurement Specialist III (1.0 FTE)
60013899: State Purchase Administrator (0.9 FTE)

1731 NC Council for Women/DV Commission

21 Transfer 1.5 FTE to Receipt Support ($91,979) R
Transfers salaries and benefits for 1.5 FTE to receipt support:
60014074: Community Development Specialist I (0.50 FTE)
60019848: Community Development Specialist I (1.0 FTE)

531211 Salaries ($71,585)
531511 Social Security ($5,476)
531521 Retirement ($7,524)
531561 Medical Insurance ($7,394)
1734 Rape Crisis Program

22 Fund Grants at FY 2009-10 Level

Funds Rape Crisis grants at FY 2009-10 level. ($151,119) NR

1741 Human Relations Commission

23 Reduce Rent

Reduces budgeted rent due to move to DOA-owned space:

532512 Rent ($24,455)

($24,455) R

1761 Youth Advocacy & Involvement

24 Reduce Rent

Reduces rent due to move to DOA-owned space:

532512 ($22,205)

($22,205) R

1771 Veterans Affairs

25 Reduce Operating Expenses

Reduces operating expenses:

533700 Travel ($20,000)
532100 Supplies ($10,000)
534500 Equipment ($21,453)

($51,453) R

26 Shift 2.0 Positions to Receipt Support

Shifts salaries and benefits of 2.0 FTEs to receipt support:

-2.00

60014225: Processing Assistant III ($27,100)
60014232: Processing Assistant III ($26,580)

531211 Salaries ($53,680)
531511 Social Security ($4,107)
531521 Retirement ($5,642)
531561 Medical Insurance ($9,858)

($73,286) R

1781 Domestic Violence Program

27 Fund Grants at FY 2009-10 Level

Funds Domestic Violence grants at FY 2009-10 level. ($243,115) NR
28 Eliminate 1.0 Filled Position

Eliminates salary and benefits for one filled position:

- 60014567 Administrative Officer I
- 531211 Salaries ($45,168)
- 531511 Social Security ($3,455)
- 531521 Retirement ($4,747)
- 531561 Health Insurance ($4,929)
29 Provide Funding for H.B. 961 (Government Ethics and Campaign Reform Act)  

Assuming the adoption of H.B. 961, the "Government Ethics and Campaign Reform Act," provides funding for four positions (Attorney II, Paralegal III, and two Paralegal IIIs) and operating expenses. This appropriation is to ensure that the State Ethics Commission has resources to respond to customer service queries regarding ethics law compliance and any additional ethics rules or standards implemented by the Governor. Salaries and benefits are budgeted for 10 months for FY 2010-11 with a start date of September 1, 2010:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>FY 2010-11 Budget</th>
<th>FY 2011-12 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211 Salaries</td>
<td>$173,601</td>
<td></td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>$13,281</td>
<td></td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>$18,246</td>
<td></td>
</tr>
<tr>
<td>531561 Medical Insurance</td>
<td>$16,430</td>
<td></td>
</tr>
<tr>
<td>532144 PC/Printer</td>
<td>$1,680</td>
<td></td>
</tr>
<tr>
<td>5327xx Travel</td>
<td>$1,500</td>
<td></td>
</tr>
<tr>
<td>532811 Telephone</td>
<td>$1,500</td>
<td></td>
</tr>
<tr>
<td>532815 Email &amp; Calendaring</td>
<td>$156</td>
<td></td>
</tr>
<tr>
<td>5329xx Registration &amp; Ed Expenses</td>
<td>$300</td>
<td></td>
</tr>
<tr>
<td>533xxx Supplies</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>532535 Lease Server Equip</td>
<td>$13,817</td>
<td></td>
</tr>
<tr>
<td>532542 Lease Software</td>
<td>$3,691</td>
<td></td>
</tr>
<tr>
<td>535830 Subscriptions</td>
<td>$6,000</td>
<td></td>
</tr>
<tr>
<td>532140 Other ITS</td>
<td>$10,000 ($100,000 NR)</td>
<td></td>
</tr>
<tr>
<td>532140 Other ITS</td>
<td>$5,400 ($600 NR)</td>
<td></td>
</tr>
<tr>
<td>532140 Other ITS</td>
<td>$5,000 ($15,000 NR)</td>
<td></td>
</tr>
<tr>
<td>534511 Office Furniture</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>534521 Office Equipment</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>534713 PC Software</td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>532199 Contractual Legal Services</td>
<td>$100,000</td>
<td></td>
</tr>
</tbody>
</table>

(S.L. 2010-169; H.B. 961)

(S.L. 2010-123, Sec. 11.11, Budget Technical Corrections, amends this item as follows:

Provide Funding for Online Filing of Statements of Economic Interest and Online Education

$181,061 R
$217,850 NR
2.0 FTE

Provides funding for one Attorney II and one Paralegal III position and operating expenses to develop an online system for the filing of Statements of Economic Interest (SEIs), an online education program, all information technology related to online education and online filing of SEIs, and legal research tools:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>FY 2010-11 Budget</th>
<th>FY 2011-12 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211 Salaries</td>
<td>$106,102</td>
<td></td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>$8,117</td>
<td></td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>$11,151</td>
<td></td>
</tr>
<tr>
<td>531561 Medical Insurance</td>
<td>$8,215</td>
<td></td>
</tr>
<tr>
<td>532144 PC/Printer</td>
<td>$840</td>
<td></td>
</tr>
<tr>
<td>5327xx Travel</td>
<td>$750</td>
<td></td>
</tr>
<tr>
<td>532811 Telephone</td>
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</tr>
<tr>
<td>532815 Email &amp; Calendaring</td>
<td>$78</td>
<td></td>
</tr>
<tr>
<td>5329xx Registration &amp; Ed Expenses</td>
<td>$150</td>
<td></td>
</tr>
<tr>
<td>533xxx Supplies</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>532535 Lease Server Equip</td>
<td>$13,817</td>
<td></td>
</tr>
</tbody>
</table>
In order to fulfill the requirements of H.B. 961, the Government Ethics and Campaign Reform Act, provides funding for two Paralegal III positions and operating expenses to respond to customer service queries regarding State ethics law compliance and any additional ethics rules or standards implemented by the Governor. Salaries and benefits are budgeted for ten months for FY 2010-11 with a start date of September 1, 2010:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>532111 Salaries</td>
<td>$67,500</td>
<td>R</td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>$5,164</td>
<td>R</td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>$7,094</td>
<td>R</td>
</tr>
<tr>
<td>531561 Medical Insurance</td>
<td>$8,215</td>
<td>R</td>
</tr>
<tr>
<td>532144 PC/Printer</td>
<td>$840</td>
<td>R</td>
</tr>
<tr>
<td>5327xx Travel</td>
<td>$750</td>
<td>R</td>
</tr>
<tr>
<td>532811 Telephone</td>
<td>$750</td>
<td>R</td>
</tr>
<tr>
<td>532815 Email &amp; Calendaring</td>
<td>$78</td>
<td>R</td>
</tr>
<tr>
<td>5329xx Registration &amp; Ed Expenses</td>
<td>$150</td>
<td>R</td>
</tr>
<tr>
<td>533xxx Supplies</td>
<td>$1,000</td>
<td>R</td>
</tr>
<tr>
<td>534511 Office Furniture</td>
<td>$1,000</td>
<td>NR</td>
</tr>
<tr>
<td>534521 Office Equipment</td>
<td>$1,000</td>
<td>NR</td>
</tr>
<tr>
<td>534713 PC Software</td>
<td>$250</td>
<td>NR</td>
</tr>
</tbody>
</table>

30 Operating Budget Adjustment to Rent
($60,000) R
Eliminates funds for office rent as Commission is now housed in State office space.

532512 Rent ($60,000)

1861 Commission on Indian Affairs
31 Reduce Rent
($29,985) R
Reduces budgeted rent due to move to DOA-owned space:

532512 Rent ($29,985)
Department-Wide

32 Eliminate 8.0 Vacant Positions
Eliminates salaries and benefits for eight vacant positions department-wide:

- 60013887: State Purchase Administrator
- 60013965: Summer Intern
- 60014664: Administrative Assistant III
- 60013878: Processing Assistant V
- 60014215: Accounting Technician
- 65009979: Accountant
- 60014716: Building & Environmental Technician
- 60014836: Building & Environmental Technician

(S.L. 2010-123, Sec. 11.12, Budget Technical Corrections, amends this item to reflect that the Accountant position (65009979) should be 0.75 and the total reduction for this item should be 7.75 FTE.)

33 Reduce Travel Expenditures
Reduces travel expenditures across the agency.

5327xx ($15,000)

34 Adjust ITS Rate
Reduces line item for ITS based on reduction in ITS rates.

532140 ($3,172)

Budget Changes

Total Position Changes
-9.10

Revised Total Budget
$66,701,758
Special Provisions

2010 Session: **SB 897**

**Department:** Administration

Section: 20.2

**Title:** CURB EXCESS PRIVATE MOTOR VEHICLE EXPENSE REIMBURSEMENT

**Summary** Directs the Department of Administration’s Motor Fleet Management Division to work with State agencies to analyze employee travel costs and to report on its findings by February 1, 2011.

Special Provisions

2010 Session: **SB 1202**

**Department:** Administration

Section: 11.11

**Title:** TECHNICAL CHANGE: STATE ETHICS COMMISSION FUNDS

**Summary** S.L. 2010-123, Sec. 11.11, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-8, Item 29) to reallocate the original appropriation in order to provide $181,061 in recurring funds and $217,850 in nonrecurring funds for one Attorney II, one Paralegal III position, and operating expenses to develop an online system for the filing of Statements of Economic Interest (SEIs), an online education program, all information technology related to online education and online filing of SEIs, and legal research tools.

Further amends Item 29 to comply with the passage of H.B. 961, the Government Ethics and Campaign Reform Act of 2010, to provide $91,541 in recurring funds and $2,250 in nonrecurring funds to fund two Paralegal III positions and provide operating expenses to respond to customer service queries regarding State ethics law compliance and any additional ethics rules or standards implemented by the Governor.

Section: 11.12

**Title:** TECHNICAL CHANGE: DEPARTMENT OF ADMINISTRATION POSITION

**Summary** S.L. 2010-123, Sec. 11.12, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-9, Item 32) to reflect that the Accountant position (65009979) should be 0.75 and the total reduction for this item should be 7.75 FTE.
2010 Annotated Committee Report

Auditor

Budget Changes

1120

35 Reduce Various Operating Accounts

Reduces various operating accounts: ($80,000) R

532942 Other Employee Educational Expense ($12,000)
533110 General Office Supplies ($10,000)
532430 Maint Agreement - Equipment ($6,000)
532441 Maint Agreement - Other Software ($24,000)
532332 Repairs - Other Computer Equip ($8,000)
532811 Telephone Service ($20,000)

1210 Field Audit

36 Shift 1.0 Position to Receipt Support

Shifts salary and benefits of 1.0 FTE to receipt support due to creation of billing for Battleship and State Ports Authority audits. ($60,033) R

60008998: Assistant State Auditor ($46,635)

531211 Salaries ($46,635)
531511 Social Security ($3,568)
531521 Retirement ($4,901)
531561 Medical Insurance ($4,929)

(S.L. 2010-31, Sec. 21.1 and Sec. 21.2)

37 Reduce Various Operating Accounts

Reduces various operating accounts: ($197,000) R

532714 Transp-Ground - In-state ($10,400)
532721 Lodging - In-state ($19,600)
532724 Meals - In-state ($12,700)
532725 Meals - Out-of-state ($1,500)
532715 Trans-Ground - Out-of-state ($800)
532722 Lodging - Out-of-state ($300)
532723 Misc. Travel ($900)
532726 Misc. Travel ($250)
5345xx Equipment/Computers ($149,550)
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Changes</td>
<td>($337,033)</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>-1.00</td>
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<tr>
<td>Revised Total Budget</td>
<td>$12,918,090</td>
</tr>
</tbody>
</table>
Special Provisions

2010 Session: SB 897

Department: Auditor

Section: 21.1
Title: BATTLESHIP COMMISSION PAY FOR AUDIT
Summary: Directs the U.S.S. North Carolina Battleship Commission to reimburse the State Auditor for its audit costs.

Section: 21.2
Title: STATE PORTS AUTHORITY PAY FOR AUDIT
Summary: Directs the State Ports Authority to reimburse the State Auditor for its audit costs.
2010 Annotated Committee Report

Cultural Resources

Total Budget Approved 2009 Session

$73,249,990

Cultural Resources

Budget Changes

1110 Office of the Secretary

38 Operating Budget Adjustment
Reduces funding for Misc Contractual Services.

532199 Misc Contractual Services ($169,749)

39 Expand Heritage Tourism
Restores funding for seven Heritage Tourism positions to help rural communities enhance tourism economy, and funds positions effective September 1, 2010.

$300,593

1120 Administrative Services

40 Personnel and Operating Budget Adjustments
Eliminates salary and benefits of a vacant Purchasing Agent II position (#60083290), and reduces funding for IT and office furniture.

531211 Salaries ($21,471)
531511 Social Security ($1,643)
531521 Retirement ($2,257)
531561 Medical Insurance ($4,929)
532490 Maint Agreement ($48,382)
534511 Furniture ($52,110)
1210 Archives & History - Admin

41 Eliminate Personnel Costs and Adjust Expenditure Accounts
($82,262) R
Eliminates salary and benefits, but not FTE, for Administrative Officer position (#60083312), and reduces expenditure accounts.

- 531211 Salaries ($63,157)
- 531511 Social Security ($4,832)
- 531521 Retirement ($6,638)
- 531561 Medical Insurance ($4,929)
- 532722 Lodging-out of state ($490)
- 534511 Furniture ($1,416)
- 534521 Office Equipment ($800)

42 Freedom Monument Project, Inc. Funding
Restores funding for the Freedom Monument Project, Inc. ($175,000) NR
(H.B.1982; S.L. 2010-31, Sec. 22.1)
(S.L. 2010-123, Sec. 11.13, Budget Technical Corrections, amends this item to provide $75,000 in non-recurring funds to support the three monuments on Capitol grounds.)

43 African American Heritage Commission
Appropriates non-recurring funding for the Commission in FY 2010-11. ($100,000) NR

1220 Historical Publications

44 Eliminate Filled Positions and Reduce Operating Budget
($210,495) R
Eliminates salaries and benefits of three filled positions: Historic Pub Editor III (#60083317) at $53,023; Historic Pub Editor II (#60083319) at $43,296; and Historic Pub Editor I (#60083323) at $31,622; and transfers split-funding of $22,227 (0.69 FTE) for Info & Comm Specialist position (#60083321) including benefits. Also reduces expenses for various expenditure accounts.

- 531211 Salaries ($150,168)
- 531460 EPA & SPA Longevity Pay ($2,586)
- 531511 Social Security ($11,408)
- 531521 Retirement ($15,783)
- 531561 Medical Insurance ($14,787)
- 532199 Misc Contractual Svcs ($262)
- 532333 Repairs ($700)
- 532490 Maint Agreement ($590)
- 532714 Transp- Grd-In State ($653)
- 532800 Communication ($10,948)
- 533110 Gen Office Supplies ($2,260)
- 533900 Oth materials & Supplies ($200)
- 535800 Oth Admin Expenses ($150)
### 1230 Archives and Records

#### 45 Transfer Personnel to Receipt Support and Adjust Operating Budget ($609,548) R

Transfers salaries and benefits of seven positions to receipt-support from the Archives & Records Management (ARM) Fee: Processing Asst IV (#60083347) at $28,336; Processing Asst IV (#60083363) at $27,879; Archives & Records Mgr (#60083364) at $62,792; Archives & Records Prof (#60083368) at $32,796; Processing Asst IV (#60083377) at $28,500; Processing Asst IV (#60083378) at $28,503; and Processing Asst IV (#60083392) at $25,778.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211 Salaries</td>
<td>($234,584)</td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>($17,946)</td>
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<tr>
<td>531521 Retirement</td>
<td>($24,655)</td>
</tr>
<tr>
<td>531561 Medical Insurance</td>
<td>($34,503)</td>
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<tr>
<td>532490 Maint Agreement</td>
<td>($47,515)</td>
</tr>
<tr>
<td>532512 Rent/Lease - Bldgs/Office</td>
<td>($142,765)</td>
</tr>
<tr>
<td>533900 Oth Materials &amp; Supplies</td>
<td>($48,505)</td>
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<tr>
<td>534534 Personal Computers &amp; Printers</td>
<td>($12,689)</td>
</tr>
<tr>
<td>534539 Other Equipment</td>
<td>($46,386)</td>
</tr>
</tbody>
</table>

### 1241 State Historic Sites

#### 46 Operating Budget Adjustments ($452,827) R

Reduces division expenditure accounts.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>532188 Lawns &amp; Grounds Svs Agreement</td>
<td>($12,459)</td>
</tr>
<tr>
<td>532199 Misc Contractual Services</td>
<td>($105,883)</td>
</tr>
<tr>
<td>532390 Repairs</td>
<td>($250,000)</td>
</tr>
<tr>
<td>532714 Transp-Grd-In State</td>
<td>($69,412)</td>
</tr>
<tr>
<td>533900 Oth Materials &amp; Supplies</td>
<td>($15,073)</td>
</tr>
</tbody>
</table>

### 1243 State Capitol

#### 47 Transfer Personnel to Receipt Support ($63,133) R

Transfers salary and benefits of Administrative Officer position (#60083604) to receipt-support.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211 Salaries</td>
<td>($49,259)</td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>($3,768)</td>
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<tr>
<td>531521 Retirement</td>
<td>($5,177)</td>
</tr>
<tr>
<td>531561 Medical Insurance</td>
<td>($4,929)</td>
</tr>
</tbody>
</table>

### 48 State Capitol Foundation Funding

Appropriates non-recurring funding in FY 2010-11 for the Capitol Foundation ($100,000), and to support the three monuments in Capitol Square ($75,000).

(S.L. 2010-123, Sec. 11.14, Budget Technical Corrections, amends this item to eliminate the $75,000 to support the three monuments in Capitol Square.)

Cultural Resources
1250 Historic Preservation

49 Personnel Costs and Operating Budget Adjustments ($110,086) R
Transfers salaries and benefits of two filled positions to receipt-support: Architect (#60083621) at $37,473 and Hist Pres/Restoration Specialist II (#60083623) at $44,050, and reduces travel expenses.

531211 Salaries ($81,523)
531511 Social Security ($6,237)
531521 Retirement ($8,568)
531561 Medical Insurance ($9,858)
532714 Transp-Grd-In State ($3,900)

1260 Office of State Archeology

50 Operating Budget Reductions ($26,444) R
Reduces division expenditure accounts.

532199 Misc Contractual Svcs ($490)
532714 Transp-Grd-In State ($13,000)
532721 Lodging-In State ($3,954)
532724 Meals - In State ($9,000)

1290 Western Office

51 Transfer Personnel Expense ($52,497) R
Transfers salary and benefits of Archives & Records Specialist position (#60083647) to receipt-support.

531211 Salaries ($40,638)
531511 Social Security ($3,109)
531521 Retirement ($4,271)
531561 Medical Insurance ($4,929)
### 1320 Museum of Art

**52 Eliminate Personnel Expense and Adjust Operating Budget**

Eliminates salaries and benefits of three new positions: Admin Officer III (#65010906) at $41,173; Art Handler (#65010907) at $25,705; and Processing Asst III at $24,092. Also reduces various expenditure accounts.

<table>
<thead>
<tr>
<th>Category</th>
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<tbody>
<tr>
<td>531211 Salaries</td>
<td>($90,970)</td>
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<td>531511 Social Security</td>
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<td>531521 Retirement</td>
<td>($9,561)</td>
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<tr>
<td>531561 Medical Insurance</td>
<td>($14,787)</td>
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<tr>
<td>532199 Misc Contractual Services</td>
<td>($50,000)</td>
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<tr>
<td>532390 Repairs</td>
<td>($75,000)</td>
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<tr>
<td>534610 Art &amp; Artifacts</td>
<td>($9,730)</td>
</tr>
</tbody>
</table>

(S.L. 2010-123, Sec. 11.15, Budget Technical Corrections, amends this item to eliminate salaries and benefits but not the FTE of the Admin Officer III, Art Handler, and Processing Asst III positions, and reduces various expenditure accounts.)

### 1340 NC Symphony

**53 Grant for NC Symphony**

Appropriates non-recurring funding as grant to the Symphony. $500,000

### 1410 State Library Services

**54 Eliminate Personnel Costs and Reduce Operating Budget**

Eliminates salaries and benefits of 2.50 vacant positions: W/A Processing Asst IV (#60083860) at $33,676; Library Clerk III (#60083854) at $29,079 and Processing Asst III (#60083866) at $12,905; and transfers Library Technician position (#60083851) at $36,281 to receipt-support. Also reduces various expenditure accounts.

<table>
<thead>
<tr>
<th>Category</th>
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<tbody>
<tr>
<td>531211 Salaries</td>
<td>($111,941)</td>
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<tr>
<td>531511 Social Security</td>
<td>($8,563)</td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>($11,765)</td>
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<tr>
<td>531561 Medical Insurance</td>
<td>($17,252)</td>
</tr>
<tr>
<td>532199 Misc Contractual Services</td>
<td>($1,000)</td>
</tr>
<tr>
<td>534630 Library &amp; Lrning Res Coll</td>
<td>($15,000)</td>
</tr>
</tbody>
</table>

(S.L. 2010-123, Sec. 11.16, Budget Technical Corrections, amends this item to eliminate salaries and benefits of the following positions: one filled W/A Processing Assistant IV, one vacant Library Clerk III, a .50 vacant Processing Asst III; and transfers one Library Technician position to receipt-support. (Various expenditure accounts are also reduced.)

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Cultural Resources
## 1500 Museum of History

### 55 Operating Budget Adjustments

Reduces division expenditure accounts.

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Description</th>
<th>Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>532199</td>
<td>Misc Contractual Services</td>
<td>($25,000)</td>
</tr>
<tr>
<td>532512</td>
<td>Rent/Lease - Bldgs/Office</td>
<td>($24,978)</td>
</tr>
<tr>
<td>534549</td>
<td>Oth Motorized Vehicles</td>
<td>($47,950)</td>
</tr>
</tbody>
</table>

### Budget Changes

<table>
<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Total Position Changes</td>
<td>-12.19</td>
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<tr>
<td>Revised Total Budget</td>
<td>$71,996,844</td>
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### Operating Budget Adjustments

<table>
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<tr>
<td></td>
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<td>($2,103,146)</td>
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<table>
<thead>
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<th>Code</th>
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<tbody>
<tr>
<td></td>
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<td>$850,000</td>
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</table>
Special Provisions

2010 Session: **SB 897**

Department: Cultural Resources

Section: 22.1

Title: **MODIFY TERMS OF THE 2007-2008 GRANT-IN-AID FOR FREEDOM MONUMENT**

Summary  Allows a change in the use of the $100,000 appropriated in the 2007 Session from fabrication and construction of the Freedom Monument to planning and development of pre-construction stages.

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Special Provisions

2010 Session: **SB 1202**

Department: Cultural Resources

Section: 11.13

Title: **TECHNICAL CHANGE: FUNDS FOR MONUMENTS ON CAPITOL GROUNDS**

Summary  S.L. 2010-123, Sec. 11.13, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-17, Item 42), to provide $75,000 in non-recurring funds to support the three monuments on Capitol grounds.

Section: 11.14

Title: **TECHNICAL CHANGE: ELIMINATE FUNDS FOR MONUMENTS IN CAPITOL SQUARE**

Summary  S.L. 2010-123, Sec. 11.14, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-18, Item 48), to eliminate the $75,000 to support the three monuments in Capitol Square.

Section: 11.15

Title: **TECHNICAL CHANGE: MAINTAIN ART MUSEUM FTE**

Summary  S.L. 2010-123, Sec. 11.15, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-20, Item 52), to eliminate salaries and benefits but not the FTE of the Admin Officer III, Art Handler, and Processing Asst III positions; and to reduce various expenditure accounts.
Section: 11.16
Title: TECHNICAL CHANGE: REVISE POSITION STATUS

Summary: S.L. 2010-123, Sec. 11.16, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-20, Item 54), to eliminate salaries and benefits of the following positions: one filled W/A Processing Assistant IV, one vacant Library Clerk III, a .50 vacant Processing Asst III; and transfers one Library Technician position to receipt-support. Also reduces various expenditure accounts.
# 2010 Annotated Committee Report

## Cultural Resources - Roanoke Island Commission

### General Fund - FY 10-11

**Total Budget Approved 2009 Session**

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
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<tbody>
<tr>
<td>$1,990,632</td>
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### Budget Changes

**1584 Roanoke Island Commission**

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<tr>
<th>Change ID</th>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>56</td>
<td><strong>Operating Budget Reduction</strong></td>
<td>($115,926)</td>
</tr>
</tbody>
</table>

Reduces funds transferred to support the Roanoke Island Commission's operating budget.

### Total Position Changes

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>($115,926)</td>
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</table>

### Revised Total Budget

<table>
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<tbody>
<tr>
<td>$1,874,706</td>
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</table>
Special Provisions

2010 Session: SB 897

Department: Cultural Resources - Roanoke Island Commission

Section:
Title: No Special Provisions
Summary
Budget Changes

1110 Senate

57 Operating Budget Adjustments ($609,201)  R
Reduces budgeted days during the interim and budgeted weeks of session for the Senate.

   531311 REG(NS) Temp Wages       ($375,644)
   531461 EPA& SPA-Longevity Pay    ($15,062)
   531511 Social Sec Contrib       ($29,891)
   531521 Retirement               ($38,698)
   532714 Travel/Other Employee    ($33,002)
   532727002 Travel/Other Employee ($115,492)
   533110 Office Supplies          ($1,412)

1120 House

58 Reductions to Operating Budget ($1,590,353)  R
Reduces budgeted days during the interim and budgeted weeks of session for the House.

   531311 REG(NS) Temp Wages       ($1,020,501)
   531461 EPA& SPA-Longevity Pay    ($29,567)
   531511 Social Sec Contrib       ($80,330)
   531521 Retirement               ($107,998)
   532714 Travel/Other Employee    ($79,945)
   532727002 Travel/Other Employee ($272,012)

1211 Administration

59 Adjust Expenditure Accounts ($56,992)  R
Reduces budgeted days during the interim and budgeted weeks of session in Administration - Financial Services.

   531311 REG(NS) Temp Wages       ($46,977)
   531461 EPA& SPA-Longevity Pay    ($1,045)
   531511 Social Sec Contrib       ($3,673)
   531521 Retirement               ($5,297)
1212 Bill Drafting

60 Operating Budget Adjustments

Reduces budgeted weeks of session for Bill Drafting. ($61,018) R

- 531311 REG(NS) Temp Wages ($51,032)
- 531461 EPA& SPA-Longevity Pay ($609)
- 531511 Social Sec Contrib ($3,950)
- 531521 Retirement ($5,427)

1213 General Research

61 Adjust Operating Budget

Reduces budgeted weeks of session for General Research. ($10,779) R

- 531311 REG(NS) Temp Wages ($9,122)
- 531511 Social Sec Contrib ($698)
- 531521 Retirement ($959)

1214 Fiscal Research

62 Reduce Expenditure Accounts

Reduces budgeted weeks of session for Fiscal Research. ($9,388) R

- 531311 REG(NS) Temp Wages ($7,945)
- 531511 Social Sec Contrib ($608)
- 531521 Retirement ($835)

1215 Building Maintenance

63 Operating Budget Reductions

Reduces budgeted days during the interim and budgeted weeks of session in Building Maintenance. ($38,441) R

- 531311 REG(NS) Temp Wages ($32,533)
- 531511 Social Sec Contrib ($2,489)
- 531521 Retirement ($3,419)

1216 Food Service

64 Reductions to Operating Budget

Reduces budgeted weeks of session for Food Service. ($18,594) R

- 531311 REG(NS) Temp Wages ($15,737)
- 531511 Social Sec Contrib ($1,203)
- 531521 Retirement ($1,654)
### 1217 Information System

**65 Operating Budget Adjustments**

Reduces various expenditure accounts. ($101,802)

- 532140 Misc Contractual Services ($86,614)
- 532448 Maintenance Agreement ($1,637)
- 532449 Maintenance Agreement ($13,551)

### 1219 Program Evaluation

**66 Reduce Expenditure Accounts**

Reduces budgeted weeks of session for Program Evaluation and funding for contractual services. ($139,417)

- 531311 REG(NS) Temp Wages ($12,498)
- 531511 Social Sec Contrib ($956)
- 531521 Retirement ($1,314)
- 532199 Misc Contractual Services ($124,649)

### 1230 Institute of Government

**67 Operating Budget Adjustments**

Reduces budgeted weeks of session for the Institute of Government. ($11,053)

- 531311 REG(NS) Temp Wages ($9,354)
- 531511 Social Sec Contribution ($716)
- 531521 Retirement ($983)

### 1900 Contingency Reserves

**68 Reduce Contingency Reserves**

Reduces funding for the Legislative Study Commission. ($267,888)

- 537195 Contingency Reserves ($267,888)

### Budget Changes

($2,914,926)

### Total Position Changes

Revised Total Budget $53,669,558

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*General Assembly*
Special Provisions

2010 Session: SB 897

Department: General Assembly

Section: 
Title: No Special Provisions
Summary
2010 Annotated Committee Report

Governor

Total Budget Approved 2009 Session

$6,067,739

Budget Changes

1100 Administration

69 Eliminate Personnel Costs and Reduce Operating Budget

Eliminates salaries and benefits of three vacant positions: Administrative Asst (#60008533) – $28,400; Asst Press Secretary (#60008523) – $50,732; and Communications Technology Specialist (#60008481) – $30,000. Also reduces expenditure accounts.

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211 Salaries</td>
<td>($109,132)</td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>($8,349)</td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>($11,470)</td>
</tr>
<tr>
<td>535461 Med Insurance</td>
<td>($14,787)</td>
</tr>
<tr>
<td>532145 Server Support Svs</td>
<td>($17,200)</td>
</tr>
<tr>
<td>532199 Misc Contractual Services</td>
<td>($27,163)</td>
</tr>
<tr>
<td>532140 Oth Information Tech</td>
<td>($5,258)</td>
</tr>
<tr>
<td>535830 Membership Dues and Subscriptions</td>
<td>($160,000)</td>
</tr>
</tbody>
</table>

Revise Total Budget

Revised Total Budget

$5,714,380
Special Provisions

2010 Session: SB 897

Department: Governor

Section:
Title: No Special Provisions

Summary
Housing Finance Agency

2010 Annotated Committee Report

Budget Changes

1100 HFA - Appropriation

70 Home Protection Program Reduction
Reduces General Fund appropriation in anticipation of federal funding from the US Treasury that will assist states with the hardest hit unemployment rates. The reduction includes recurring and non-recurring adjustments.

538104 Home Protection Program ($2,500,000)

Budget Changes

($730,421) R
($1,769,579) NR

Total Position Changes

Revised Total Budget

$12,108,417
Special Provisions

2010 Session: SB 897

Department: Housing Finance Agency

Section: 23.1

Title: ALLOW HOUSING FINANCE AGENCY TO CREATE A CORPORATION TO RECEIVE "HARDEST HIT HOUSING MARKETS" FUNDING

Summary: Gives the Housing Finance Agency permission to form a corporation by amending G.S. 122A-5 and adding language to Chapters 55 and 55A for the purpose of meeting US Treasury requirements to receive $159 million to assist with foreclosures. The corporation will report to the Board of Directors and to the Joint Legislative Commission on Governmental Operations upon request. If the corporation is not established by March 1, 2011, this section is repealed.
2010 Annotated Committee Report

Insurance

Total Budget Approved 2009 Session

FY 10-11
$32,242,706

Budget Changes

1100 Administration

71 Reduce Misc. Operating Accounts

Reduce misc. operating accounts:

<table>
<thead>
<tr>
<th>Account Details</th>
<th>Budget Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>532430 Maint Agreement-Equipment</td>
<td>($5,962)</td>
</tr>
<tr>
<td>532712 Trans Air-Out State, In US</td>
<td>($15,709)</td>
</tr>
<tr>
<td>532840 Postage, Freight &amp; Deliveries</td>
<td>($7,854)</td>
</tr>
<tr>
<td>532942 Other Employee Educational Expense</td>
<td>($5,990)</td>
</tr>
</tbody>
</table>
1200 Company Services

72 Reduce Misc. Operating Accounts
Reduce misc. operating accounts: ($144,203)

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>532310 Repairs-Buildings</td>
<td>($10,708)</td>
</tr>
<tr>
<td>532332 Repairs-Computer Equip</td>
<td>($471)</td>
</tr>
<tr>
<td>532333 Repairs-Other Equipment</td>
<td>($1,330)</td>
</tr>
<tr>
<td>532390 Repairs-Other</td>
<td>($148)</td>
</tr>
<tr>
<td>532430 Maintenance Agreement-Equip</td>
<td>($1,080)</td>
</tr>
<tr>
<td>532441 Maintenance Agreement-Software</td>
<td>($437)</td>
</tr>
<tr>
<td>532443 Maintenance-Agree/Non-Wan DP Equipment</td>
<td>($393)</td>
</tr>
<tr>
<td>532714 Transportation-Ground - In State</td>
<td>($31,902)</td>
</tr>
<tr>
<td>532715 Transportation Ground-Out Of State, In Us</td>
<td>($802)</td>
</tr>
<tr>
<td>532721 Lodging - In State</td>
<td>($3,825)</td>
</tr>
<tr>
<td>532722 Lodging-Out Of State, In US</td>
<td>($3,751)</td>
</tr>
<tr>
<td>532724 Meals - In State</td>
<td>($2,513)</td>
</tr>
<tr>
<td>532725 Meals-Out Of State, In US</td>
<td>($1,137)</td>
</tr>
<tr>
<td>532727 Misc. - In State</td>
<td>($13)</td>
</tr>
<tr>
<td>532728 Misc. - Out Of State, In US</td>
<td>($328)</td>
</tr>
<tr>
<td>532731 Board/Non-Employee Transportation</td>
<td>($1,100)</td>
</tr>
<tr>
<td>532811 Telephone Service</td>
<td>($10,611)</td>
</tr>
<tr>
<td>532812 Telecommunication WAN</td>
<td>($138)</td>
</tr>
<tr>
<td>532814 Cellular Phone Services</td>
<td>($45)</td>
</tr>
<tr>
<td>532817 Internet Svc Provider</td>
<td>($295)</td>
</tr>
<tr>
<td>532840 Postage, Freight &amp; Deliveries</td>
<td>($1,020)</td>
</tr>
<tr>
<td>532850 Print, Bind, Duplicating</td>
<td>($4,166)</td>
</tr>
<tr>
<td>532860 Advertising</td>
<td>($884)</td>
</tr>
<tr>
<td>532911 Property-Insurance</td>
<td>($159)</td>
</tr>
<tr>
<td>532913 Liability Insurance</td>
<td>($39)</td>
</tr>
<tr>
<td>532930 Registration Fees</td>
<td>($7,123)</td>
</tr>
<tr>
<td>532941 Employee Education Assist Program</td>
<td>($109)</td>
</tr>
<tr>
<td>532942 Other Employee Educational Expense</td>
<td>($14,949)</td>
</tr>
<tr>
<td>533120 Data Processing Supplies</td>
<td>($3,223)</td>
</tr>
<tr>
<td>533190 Other Admin Supplies</td>
<td>($324)</td>
</tr>
<tr>
<td>533240 Carpentry &amp; Hardware Supplies</td>
<td>($118)</td>
</tr>
<tr>
<td>534511 Furniture-Office</td>
<td>($7,992)</td>
</tr>
<tr>
<td>534521 Office Equipment</td>
<td>($5,723)</td>
</tr>
<tr>
<td>534534 Personal Comp &amp; Printer</td>
<td>($8,934)</td>
</tr>
<tr>
<td>534713 PC Software</td>
<td>($1,104)</td>
</tr>
<tr>
<td>535830 Membership Dues &amp; Subscriptions</td>
<td>($3,985)</td>
</tr>
<tr>
<td>535840 Employee Awards Payment</td>
<td>($27)</td>
</tr>
<tr>
<td>535890 Other Administrative Expenses</td>
<td>($13,297)</td>
</tr>
</tbody>
</table>

73 Provide Funding for CCRC Oversight Staffing
Assuming the adoption of Senate Bill 354 ("Continuing Care Retire. Community/Home Care"), position #60013545 within the Office of the State Fire Marshal Division (Fund 1500) is transferred to the Financial Evaluation Division as an Insurance Company Manager Position at the budgeted amount of $111,623 ($107,823 recurring $3,800 non-recurring). The transferred position shall assist the Department in administering Articles 64 and 89A of Chapter 58 of the General Statutes. This position shall be supported by funds appropriated to the Department of Insurance. See Item 76.

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211 Salaries</td>
<td>$83,500</td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>$6,388</td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>$8,776</td>
</tr>
<tr>
<td>Item Description</td>
<td>Amount</td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>531561 Medical Insurance</td>
<td>$4,929</td>
</tr>
<tr>
<td>532512 Rent/Lease-Buildings/Office</td>
<td>$1,200</td>
</tr>
<tr>
<td>532712 Transp Air-Out State, In US</td>
<td>$300</td>
</tr>
<tr>
<td>532714 Transp-Grnd-In State</td>
<td>$300</td>
</tr>
<tr>
<td>532715 Trans-Grnd-Out State, In US</td>
<td>$50</td>
</tr>
<tr>
<td>532722 Lodging-Out State, In US</td>
<td>$300</td>
</tr>
<tr>
<td>532725 Meals - Out of State, in US</td>
<td>$200</td>
</tr>
<tr>
<td>532811 Telephone Service</td>
<td>$400</td>
</tr>
<tr>
<td>532817 Internet Serv Prov Charge</td>
<td>$480</td>
</tr>
<tr>
<td>533110 Office Supplies</td>
<td>$500</td>
</tr>
<tr>
<td>533120 Data Processing Supplies</td>
<td>$500</td>
</tr>
<tr>
<td>534511 Furniture-Office</td>
<td>$2,400</td>
</tr>
<tr>
<td>534534 PC/Printer Equipment</td>
<td>$1,400</td>
</tr>
</tbody>
</table>

(S.L. 2010-128; H.B. 354)

1300 Technical Services

**74 Reduce Misc. Operating Accounts**

Reduce misc. operating accounts: $(244,550)

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>532133 Employ/Employment Physicals</td>
<td>($23,747)</td>
</tr>
<tr>
<td>532310 Repairs-Buildings</td>
<td>($181)</td>
</tr>
<tr>
<td>532332 Repairs-Computer Equipment</td>
<td>($132)</td>
</tr>
<tr>
<td>532712 Transportation Air-Out Of State, In US</td>
<td>($26,111)</td>
</tr>
<tr>
<td>532714 Transportation-Ground - In State</td>
<td>($21,634)</td>
</tr>
<tr>
<td>532715 Trans Ground-Out Of State, In US</td>
<td>($10,135)</td>
</tr>
<tr>
<td>532721 Lodging - In State</td>
<td>($5,006)</td>
</tr>
<tr>
<td>532722 Lodging-Out Of State, In US</td>
<td>($15,780)</td>
</tr>
<tr>
<td>532724 Meals - In State</td>
<td>($1,689)</td>
</tr>
<tr>
<td>532725 Meals-Out Of State, In US</td>
<td>($4,403)</td>
</tr>
<tr>
<td>532727 Misc. - In State</td>
<td>($95)</td>
</tr>
<tr>
<td>532728 Misc. - Out Of State, In US</td>
<td>($375)</td>
</tr>
<tr>
<td>532840 Postage, Freight &amp; Deliveries</td>
<td>($49,159)</td>
</tr>
<tr>
<td>532850 Print, Bind, Duplicating</td>
<td>($23,352)</td>
</tr>
<tr>
<td>532860 Advertising</td>
<td>($3,690)</td>
</tr>
<tr>
<td>532930 Registration Fees</td>
<td>($3,105)</td>
</tr>
<tr>
<td>532942 Other Employee Educational Expense</td>
<td>($301)</td>
</tr>
<tr>
<td>533110 General Office Supplies</td>
<td>($10,465)</td>
</tr>
<tr>
<td>533120 Data Processing Supplies</td>
<td>($2,457)</td>
</tr>
<tr>
<td>533190 Other Admin Supplies</td>
<td>($3)</td>
</tr>
<tr>
<td>533240 Carpentry &amp; Hardware Supplies</td>
<td>($153)</td>
</tr>
<tr>
<td>534511 Furniture-Office</td>
<td>($3,927)</td>
</tr>
<tr>
<td>534521 Office Equipment</td>
<td>($785)</td>
</tr>
<tr>
<td>534534 Personal Comp &amp; Printer</td>
<td>($28,710)</td>
</tr>
<tr>
<td>534539 Other Equipment</td>
<td>($6,284)</td>
</tr>
<tr>
<td>535830 Membership Dues</td>
<td>($2,871)</td>
</tr>
</tbody>
</table>
1400 Public Service

75 Reduce Misc. Operating Accounts

Reduce misc. operating accounts:

- 532143 LAN Support Services ($55,000)
- 532170 Administrative Services ($18,851)
- 532712 Transportation-Out-Of-State ($2,799)
- 532714 Trans-Ground - In State ($874)
- 532715 Trans Air-Out Of State, In US ($1,728)
- 532721 Lodging - In State ($833)
- 532722 Lodging-Out Of State, In US ($2,758)
- 532724 Meals - In State ($408)
- 532725 Meals - Out-Of-State ($473)
- 532728 Misc.- Out Of State, In Us ($123)
- 532811 Telephone Services ($61,000)
- 532840 Postage, Freight & Deliveries ($7,888)
- 532840001 Post, Fr & Del Mailing Services ($58,908)
- 532850 Print, Bind, And Duplicating ($48,006)
- 532860 Advertising ($393)
- 532930 Registration Fees ($1,700)
- 532942 Other Employee Education Expense ($5,124)
- 533110 General Office Supplies ($6,284)
- 533120 Data Processing Supplies ($2,337)
- 534534 PC/Printer Equipment ($4,000)

1500 Office of the State Fire Marshal

76 Reduce Appropriation to Offset Available Receipts from Position Transfer

Assuming the adoption of Senate Bill 354 ("Continuing Care Retire. Community/Home Care"), reduces appropriation to offset receipts made available by transferring position #60013545 to the Financial Evaluation Division: $74,457 (salary and benefits). The Department has the flexibility to use these receipts to fund existing continuation budget expenditures.

See item 73.

(S.L. 2010-128; H.B. 354)

77 Reduce Misc. Operating Accounts

Reduce misc. operating accounts:

- 532170 Admin Services ($14,273)
- 532199 Misc Contractual Services ($12,726)
- 532850 Printing, Binding, Duplicating ($482,866)

6110 NC Auto Retrospective Insurance Fund

78 Reduce NC Auto Retrospective Insurance Fund

Reduces the NC Auto Retrospective Insurance Fund by $1,000,000.

($1,000,000) NR
<table>
<thead>
<tr>
<th>Budget Changes</th>
<th>($1,180,254)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Position Changes</td>
<td>($996,200)</td>
</tr>
<tr>
<td>Revised Total Budget</td>
<td>$30,066,252</td>
</tr>
</tbody>
</table>

Insurance
Special Provisions

2010 Session: SB 897

Department: Insurance

Section: 24.2
Title: DEPARTMENT OF INSURANCE HEALTH REFORM AUTHORITY AND POSITIONS
Summary: Authorizes the Department of Insurance to administer and enforce those sections of the Federal Patient Protection and Affordable Insurance Care Act that apply to the Department's jurisdiction. The Department must apply for federal funds to support 13 positions to support this effort. If federal funds cannot be obtained, after consultation with the Joint Legislative Commission on Governmental Operations, the Department may use funds placed in the State Budget and Management reserve for the 13 positions.

Section: 24.3
Title: AUTHORIZE STATE HIGH RISK POOL TO ADMINISTER FEDERAL HIGH RISK POOL
Summary: Authorizes the State High Risk Pool to contract with the US Department of Health and Human Services to administer the federal high risk health insurance pool.
Insurance - Volunteer Safety Workers' Compensation Fund

2010 Annotated Committee Report

Total Budget Approved 2009 Session

| FY 10-11 | $1,561,846 |

Budget Changes

79 NO LEGISLATIVE ACTION REPORTED

Budget Changes

Total Position Changes

Revised Total Budget

$1,561,846
Special Provisions

2010 Session: SB 897

Department: Insurance - Volunteer Safety Workers' Compensation Fund

Section: 
Title: No Special Provisions
Summary
### Budget Changes

#### 80 Eliminate 0.5 Vacant Positions

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminates salaries and benefits for 0.5 vacant positions:</td>
<td>$(33,539)</td>
<td>-0.50</td>
</tr>
<tr>
<td>60008618: Information &amp; Comm. Spec. II (0.5 FTE)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Total Position Changes**: -0.50

**Revised Total Budget**: $898,164
Special Provisions

2010 Session: SB 897

Department: Lieutenant Governor

Section:
Title: No Special Provisions
Summary
2010 Annotated Committee Report

Office of Administrative Hearings

Total Budget Approved 2009 Session

| FY 10-11 | $4,111,476 |

Budget Changes

81 Reduce Operating Expenses

Reduces various operating expenses across the department:

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>534700</td>
<td>Intangible Assets</td>
<td>($10,000)</td>
</tr>
<tr>
<td>5324xx</td>
<td>Software Maintenance</td>
<td>($20,000)</td>
</tr>
</tbody>
</table>

($30,000) R

Total Position Changes

Revised Total Budget

$4,081,476
Special Provisions

2010 Session: SB 897

Department: Office of Administrative Hearings

Section:
Title: No Special Provisions
Summary
2010 Annotated Committee Report

Revenue

Total Budget Approved 2009 Session

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Budget Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1605</td>
<td>Information Technology</td>
<td></td>
</tr>
<tr>
<td>82</td>
<td><strong>Provide Funding for Imaging System Licenses</strong></td>
<td>$613,440 R</td>
</tr>
<tr>
<td></td>
<td>Provides funding for additional licenses for the Department's imaging system in order to view taxpayer returns.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1629</td>
<td>Property Tax Division</td>
<td>($1,467,305) R</td>
</tr>
<tr>
<td>83</td>
<td><strong>Convert Property Tax Division to Receipt Support</strong></td>
<td>-17.00</td>
</tr>
<tr>
<td></td>
<td>Converts the Property Tax Division to receipt support, including 17.0 positions. This requires an amendment to GS 105-501.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(S.L. 2010-31, Sec. 26.1(a))</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24708</td>
<td>Revenue IT Projects</td>
<td></td>
</tr>
<tr>
<td>84</td>
<td><strong>Provide Funding for IRS-Mandated Modernization of 1040 e-File Platform</strong></td>
<td>$47,600 R</td>
</tr>
<tr>
<td></td>
<td>Provides funding for the IRS-mandated modernization of the e-File platform.</td>
<td>$1,457,118 NR</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2479</td>
<td>Revenue IT Projects</td>
<td></td>
</tr>
<tr>
<td>85</td>
<td><strong>Eliminates Funding for Call Recording Program</strong></td>
<td>($700,000) NR</td>
</tr>
<tr>
<td></td>
<td>Eliminates funding for Call Recording Program Budget Code 24708. The Department was authorized to spend up to $700,000 of sales tax collections to implement a call recording program at the Taxpayer Assistance Call Center. The system was not implemented because cost estimates exceeded the availability of funds.</td>
<td></td>
</tr>
</tbody>
</table>
Department-Wide

86 Provide Funding for Resolution Initiative II

Provides funding for the Resolution Initiative II, which is estimated to collect an additional $110 million in revenue for FY 2010-11. The Department has flexibility to apply these funds towards positions and/or operating expenses.

Provide Funding for Resolution Initiative II

$846,909

87 Reduce Travel Reimbursement

Reduces budgeted travel reimbursement:

5327xx Travel ($39,000)

Reduce Travel Reimbursement

($39,000)

88 Reduce ITS Rate

Reduces budgeted ITS costs due to reduction in ITS rate:

532140 Information Technology Services ($158,647)

Reduce ITS Rate

($158,647)

89 Eliminate 8.0 Vacant Positions

Eliminates salaries and benefits for 8.0 vacant positions:

60081419: Tax Research Assistant Director (Fund 1607)
60081345: Technology Support Analyst (Fund 1605)
60082659: Processing Assistant IV (Fund 1685)
60082992: Processing Assistant IV (Fund 1685)
60082679: Data Entry Specialist (Fund 1660)
60082667: Data Entry Specialist (Fund 1685)
60082621: Information Processing Technician (Fund 1685)
60081281: Information & Communication Specialist II (Fund 1600)

531211 Salaries ($330,399)
531511 Social Security ($25,276)
531521 Retirement ($34,725)
531561 Med Insurance ($39,432)

Eliminate 8.0 Vacant Positions

($429,831)

90 Eliminate 9.0 Vacant Positions

Eliminates salaries and benefits for 9.0 vacant positions:

60081530 Revenue Officer I ($39,649)
60081617 Processing Assistant III ($27,253)
60081638 Revenue Officer I ($39,649)
60082561 Processing Assistant IV ($31,007)
60082572 Processing Assistant IV ($31,430)
60082633 Data Entry Specialist ($26,695)
60082675 Data Entry Specialist ($25,711)
60082757 Processing Assistant III ($29,628)
60082979 Processing Assistant III ($25,811)

531211 Salaries ($276,833)
531511 Social Security ($21,178)
531521 Retirement ($29,095)

Eliminate 9.0 Vacant Positions

($371,467)

Revenue
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget Changes</td>
<td>($958,301)</td>
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<tr>
<td></td>
<td>$757,118</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>-34.00</td>
</tr>
<tr>
<td>Revised Total Budget</td>
<td>$87,589,787</td>
</tr>
</tbody>
</table>
Special Provisions

2010 Session:  SB 897

Department:  Revenue

Section:  26.1

Title:  MODIFICATION OF METHOD BY WHICH LOCAL GOVERNMENTS REIMBURSE THE STATE FOR PROGRAMS THAT SUPPORT LOCAL GOVERNMENTS

Summary  Converts the Property Tax Division to receipt support by amending Article 42 of Chapter 105. The Department is authorized to deduct the preceding months’ costs for the Property Tax Commission and performing the duties imposed by Article 15 of Chapter 105 from the monthly distribution to local governments of taxes collected under Article 42 of Chapter 105. The Department is also authorized to deduct both FY 2009-10 and FY 2010-11 expenses from local government distributions during FY 2010-11.
2010 Annotated Committee Report

Secretary of State

Total Budget Approved 2009 Session

$11,451,488

Budget Changes

1110 General Administration

91 Eliminate Personnel Costs and Reduce Operating Budget
Eliminates salary and benefits of vacant Processing Assistant IV position (#60094554) and transfers Paralegal (#60094563) and Agency Legal Specialist (#60008627) positions to Auction Rate Securities Time Limited receipts. Also, reduces expenditure accounts.

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211</td>
<td>Salaries</td>
<td>($128,540)</td>
</tr>
<tr>
<td>531511</td>
<td>Social Security</td>
<td>($9,833)</td>
</tr>
<tr>
<td>531521</td>
<td>Retirement</td>
<td>($13,510)</td>
</tr>
<tr>
<td>531561</td>
<td>Med Insurance</td>
<td>($14,787)</td>
</tr>
<tr>
<td>534534</td>
<td>Computer/Printers</td>
<td>($7,371)</td>
</tr>
</tbody>
</table>

92 Operating Budget Adjustment
Budgets over-realized receipts from Business License Fees in the amount of $100,000. The fees are from the Solicitation of Contributions Fund and are to be used in the General Administration Fund to cover administrative costs related to administering and enforcing Chapter 131F of the General Statutes.

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>435100</td>
<td>Business License Fees</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

1120 Publications

93 Eliminate Filled Position
Eliminates filled position - Division Director (#60008652).

<table>
<thead>
<tr>
<th>Account Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211</td>
<td>Salaries</td>
<td>($45,757)</td>
</tr>
<tr>
<td>531511</td>
<td>Social Security</td>
<td>($3,500)</td>
</tr>
<tr>
<td>531521</td>
<td>Retirement</td>
<td>($4,809)</td>
</tr>
<tr>
<td>531561</td>
<td>Med Insurance</td>
<td>($4,929)</td>
</tr>
</tbody>
</table>
### 1210 Corporations

#### 94 Eliminate Vacant Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminates filled Processing Assistant IV position (#60008683). This position is temporarily filled through June 30, 2010.</td>
<td>($35,302)</td>
<td></td>
</tr>
<tr>
<td>531211 Salaries</td>
<td>($25,705)</td>
<td></td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>($1,966)</td>
<td></td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>($2,702)</td>
<td></td>
</tr>
<tr>
<td>531561 Med Insurance</td>
<td>($4,929)</td>
<td></td>
</tr>
</tbody>
</table>

#### 1220 Certification & Filing

#### 95 Adjustments to Personnel and Operating Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eliminates vacant Processing Assistant IV (#60094577) and Notary Investigator (#60008748); reduces expenditure accounts, including rent that is transferred to the Auction Rate Securities Time Limited receipts.</td>
<td>($236,916)</td>
<td></td>
</tr>
<tr>
<td>531211 Salaries</td>
<td>($60,917)</td>
<td></td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>($4,660)</td>
<td></td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>($6,402)</td>
<td></td>
</tr>
<tr>
<td>531561 Med Insurance</td>
<td>($9,858)</td>
<td></td>
</tr>
<tr>
<td>532199 Misc Contractual Svs</td>
<td>($50,303)</td>
<td></td>
</tr>
<tr>
<td>532512 Office Rent</td>
<td>($104,776)</td>
<td></td>
</tr>
</tbody>
</table>

(S.L. 2010-123, Sec.11.17 amends this item to eliminate the salary, benefits and FTE for the Processing Assistant IV position; eliminate the salary and benefits, but not the FTE, for the Notary Investigator position; and reduce expenditure accounts including rent that is transferred to the Auction Rate Securities Time Limited receipts.)

### 1230 Securities

#### 96 Transfer Personnel Expense

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers Financial Investigator position (#60008782) to Auction Rate Securities Time Limited receipt.</td>
<td>($61,632)</td>
<td></td>
</tr>
<tr>
<td>531211 Salaries</td>
<td>($47,988)</td>
<td></td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>($3,671)</td>
<td></td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>($5,044)</td>
<td></td>
</tr>
<tr>
<td>531561 Med Insurance</td>
<td>($4,929)</td>
<td></td>
</tr>
</tbody>
</table>

#### Budget Changes

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>R</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Position Changes</td>
<td></td>
<td>-7.00</td>
</tr>
<tr>
<td>Revised Total Budget</td>
<td>$10,784,602</td>
<td></td>
</tr>
</tbody>
</table>

Secretary of State
Special Provisions

2010 Session:  SB 897

Department:  Secretary of State

Section:  
Title:  No Special Provisions
Summary

Special Provisions

2010 Session:  SB 1202

Department:  Secretary of State

Section:  11.17
Title:  TECHNICAL CHANGE: NOTARY INVESTIGATOR POSITION
Summary  S.L. 2010-123, Sec.11.17, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-36, Item 95), to eliminate the salary and benefits, but not the FTE, for the Notary Investigator position.
Budget Changes

97 Provide Funding for H.B. 961 (Government Ethics and Campaign Reform Act)

Assuming the adoption of H.B. 961, the "Government Ethics and Campaign Reform Act," provides funding for 1.0 FTE and operating costs. H.B. 961 makes various changes to public records laws, ethics laws, and lobbying laws. In order to perform the work required by H.B. 961, the State Board of Elections requires an additional Governmental Accounts Auditor position in FY 2010-11 and software development costs. Salaries and benefits are budgeted for 10 months for FY 2010-11 with a start date of September 1, 2010:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211 Salary</td>
<td>$45,000 R</td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>$3,443 R</td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>$4,730 R</td>
</tr>
<tr>
<td>531561 Medical Insurance</td>
<td>$4,108 R</td>
</tr>
<tr>
<td>5327xx Travel</td>
<td>$1,500 R</td>
</tr>
<tr>
<td>532815 Email &amp; Calendaring</td>
<td>$156 R</td>
</tr>
<tr>
<td>5329xx Registration &amp; Ed Expenses</td>
<td>$300 R</td>
</tr>
<tr>
<td>533xxx Supplies</td>
<td>$2,000 R</td>
</tr>
<tr>
<td>532811 Telephone</td>
<td>$1,500 NR</td>
</tr>
<tr>
<td>532144 PC/Printer</td>
<td>$1,680 NR</td>
</tr>
<tr>
<td>534511 Office Furniture</td>
<td>$2,000 NR</td>
</tr>
<tr>
<td>534521 Office Equipment</td>
<td>$2,000 NR</td>
</tr>
<tr>
<td>534713 PC Software</td>
<td>$500 NR</td>
</tr>
<tr>
<td>Software Development</td>
<td>$350,000 NR</td>
</tr>
<tr>
<td>Meeting Costs</td>
<td>$2,102 R</td>
</tr>
</tbody>
</table>

(S.L. 2010-169; H.B. 961)

(S.L. 2010-123, Sec. 11.18, Budget Technical Corrections, amends this item and appropriates an additional $28,982 in order to provide $100,000 in recurring funding for an attorney position and $350,000 in nonrecurring funding for software development.)

98 Provide Maintenance of Effort for HAVA Funds

Provides Maintenance of Effort funding in order to receive $2,035,430 of Federal HAVA funds. $107,129 NR
1100 Administrative Division

99 Reduce Various Operating Accounts

Reduces various operating accounts: ($114,632)

- 532811 Telephone Services ($5,363)
- 532812 Telecommunications Data Charge ($20,122)
- 532143 LAN Supply Services ($28,387)
- 533150 Security & Safety ($12,100)
- 532100 Legal Services ($5,800)
- 532700 Travel ($12,860)
- 532181 Workshop/Conf Food Exp ($30,000)

1200 Campaign Finance Division

100 Reduce Various Operating Accounts

Reduces various operating accounts: ($61,909)

- 532811 Telephone Services ($14,909)
- 532812 Telecommunications Data Charge ($37,000)
- 532199 Misc. Contractual Services ($10,000)

101 Eliminate 2.0 Filled Positions

Eliminates salaries and benefits for 2.0 filled positions: ($166,708)

60088208: Special Projects Coordinator ($132,744)
60088198: General Counsel ($10,155)
531521 ($13,951)
531561 ($9,858)

(S.L. 2010-123, Sec. 11.19, Budget Technical Corrections, amends this item to allow the State Board of Elections to retain these positions and to fund them with Maintenance of Effort funds that qualify the Board to receive federal Help American Vote Act (HAVA) funds.)

Department-Wide

102 Reduce ITS Rate

Reduces budgeted ITS costs due to reduction in ITS rate: ($29)

532140: ($29)
<table>
<thead>
<tr>
<th>Budget Changes</th>
<th>Revised Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>($243,278) R</td>
<td>$6,435,059</td>
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<tr>
<td>$457,129 NR</td>
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<tr>
<td>Total Position Changes</td>
<td>-1.00</td>
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<tr>
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<td>$6,435,059</td>
</tr>
</tbody>
</table>
Special Provisions

2010 Session: SB 897

Department: State Board of Elections

Section: 27.2
Title: FUND ELECTIONS INSPECTORS FROM HAVA

Summary Directs the State Board of Elections to use $160,000 of federal funds received under the Help America Vote Act (HAVA) in FY 2010-11 to fund two time-limited Elections Inspector positions.

Special Provisions

2010 Session: SB 1202

Department: State Board of Elections

Section: 11.18
Title: BUDGET CHANGE: STATE BOARD OF ELECTIONS FUNDS

Summary S.L. 2010-123, Sec. 11.18, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-37, Item 97) to appropriate as additional $28,982 in order to provide $100,000 in recurring funding for an attorney position and $350,000 in nonrecurring funding for software development.

Section: 11.19
Title: TECHNICAL CHANGE: HAVA FUNDS TO RETAIN TWO POSITIONS

Summary S.L. 2010-123, Sec. 11.19, Budget Technical Corrections, amends the Joint Conference Committee Report on the Continuation, Expansion and Capital Budgets dated June 28, 2010 (Page J-38, Item 101) to allow the State Board of Elections to retain these positions and to fund them with Maintenance of Effort funds that qualify the Board to receive Help American Vote Act (HAVA) funds.
2010 Annotated Committee Report

State Budget & Management

Budget Changes

1310 State Budget, Management

103 Eliminate Personnel Expense and reduce Operating Budget

Eliminates salaries and benefits of three vacant positions: Deputy State Budget Officer (#60008561) - $123,095; Auditor (#60008882) - $73,885; and Asst St Budget Officer/Gov Evaluation & Review (#60008591) - $50,000. Also reduces expenditure accounts.

- 531211 Salaries - ($246,980)
- 531514 Social Security - ($18,894)
- 531516 Retirement - ($25,958)
- 535417 Med Insurance - ($14,787)
- 532145 Server Support Svs - ($15,000)
- 532199 Misc Contract Services - ($46,545)
- 532448 Maint Agreement Personal Computer - ($5,000)

Budget Changes

- Total Position Changes -3.00

Revised Total Budget $6,034,645
Special Provisions

2010 Session: SB 897

Department: State Budget & Management

Section:
Title: No Special Provisions

Summary
Establish Reserve for Software Development for the State Board of Elections
Appropriates funds to be placed in reserve in the Office of State Budget and Management – Special Appropriations, for the development of software to provide campaign committee treasurers the ability to comply with existing campaign laws and provide a searchable database as required by H.B. 961, the Government Ethics and Campaign Reform Act.

(S.L. 2010-123, Sec. 1.2(e), Budget Technical Corrections, appropriates funds for this item subsequent to the passage of S.L. 2010-31.)

Department of Insurance Health Care Reform Funds
Appropriates funds to be placed in reserve at the Office of State Budget and Management – Special Appropriations. If the Department is unsuccessful in obtaining federal funds and after prior consultation with the Joint Legislative Commission on Governmental Operations, funds are to be allocated from State Budget & Management to the Department to initiate support of 13 positions to implement section 24.2.(a) of Senate Bill 897. Funds shall revert if the Department is successful in its efforts to obtain federal funds.

(1) Attorney III.
(2) Health Actuary.
(3) Examiner III.
(4) Insurance Regulatory Analysts I, II (two positions), and III.
(5) Office Assistant, and Program Assistant.
(6) Insurance Investigator.
(7) Insurance Complaint Analyst (two positions).
(8) Complaint Analyst Supervisor.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>531211 Salaries</td>
<td>$791,133</td>
</tr>
<tr>
<td>531511 Social Security</td>
<td>$60,522</td>
</tr>
<tr>
<td>531521 Retirement</td>
<td>$64,398</td>
</tr>
<tr>
<td>531561 Medical Insurance</td>
<td>$64,077</td>
</tr>
<tr>
<td>532512 Rent</td>
<td>$23,400</td>
</tr>
<tr>
<td>532712 Transp-Air-Out of State, in US</td>
<td>$2,400</td>
</tr>
<tr>
<td>532714 Transp-Grd-In State</td>
<td>$18,900</td>
</tr>
<tr>
<td>532715 Transp-Grd-Out of State, in US</td>
<td>$500</td>
</tr>
<tr>
<td>532721 Lodging-In State</td>
<td>$24,000</td>
</tr>
<tr>
<td>532722 Lodging-Out of State, in US</td>
<td>$13,498</td>
</tr>
<tr>
<td>532724 Meals In-State</td>
<td>$12,000</td>
</tr>
<tr>
<td>532725 Meals Out of State, in US</td>
<td>$2,025</td>
</tr>
<tr>
<td>532811 Telephone Svc</td>
<td>$5,200</td>
</tr>
<tr>
<td>Code</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>532817</td>
<td>Internet Svc Prov Charge</td>
</tr>
<tr>
<td>533110</td>
<td>Office Supplies</td>
</tr>
<tr>
<td>533120</td>
<td>Data Processing Supplies</td>
</tr>
<tr>
<td>534511</td>
<td>Furniture</td>
</tr>
<tr>
<td>534534</td>
<td>PC/Printer Equipment</td>
</tr>
</tbody>
</table>

(S.L.2010-31, Sec. 24.2(c))

### Reserves & Transfers

**106 Military Morale and Welfare Fund**

Appropriates funding to sustain historical grants to military installations in order to provide community service and quality-of-life programs for military members and their families.

$500,000  NR

(S.L. 2010-31, Sec. 27A.1)

### Reserves and Transfers

**107 NC Symphony**

Appropriates funding for the NC Symphony to leverage match to support the operation.

$1,500,000  NR

(S.L. 2010-31, Sec. 27A.2)

### Budget Changes

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised Total Budget</td>
<td>$7,983,711</td>
</tr>
<tr>
<td>Total Position Changes</td>
<td>13.00</td>
</tr>
<tr>
<td>Revised Total Budget</td>
<td>$7,983,711</td>
</tr>
</tbody>
</table>

State Budget and Management - Special
Special Provisions

2010 Session:  SB 897

Department:  State Budget and Management - Special

Section:  27A.1
Title:  MILITARY MORALE AND WELFARE FUND
Summary  Appropriates $500,000 to the Military Morale, Recreation and Welfare fund, which is to be distributed to each military installation on a per capita basis. Beginning with the 2010-11 Fiscal Year, military installations must report at least annually on the allocation and use of funds to the Joint Legislative Commission on Governmental Operations.

Section:  27A.2
Title:  FUNDS FOR NC SYMPHONY
Summary  Allocates $1.5 million in non-recurring matching funds to the NC Symphony for FY 2010-11 to assist the Symphony in achieving its goal of raising $8 million in non-State funding to support its operations. The NC Symphony will receive $500,000 for the first $4 million raised, $500,000 for the next $2 million raised and $500,000 for the final $2 million raised. This funding is in addition to other funds appropriated for the NC Symphony in FY 2010-11.

Special Provisions

2010 Session:  SB 1202

Department:  State Budget and Management - Special

Section:  1.2(e)
Title:  ESTABLISH RESERVE FOR SOFTWARE DEVELOPMENT FOR THE STATE BOARD OF ELECTIONS
Summary  S.L. 2010-123, Sec. 1.2(e), Budget Technical Corrections, amends S.L. 2010-31, Sec. 2.2 to create a new section that appropriates $671,893 recurring to the Office of State Budget and Management, Reserve for State Board of Elections Software Development. Funds are to be used for the development of software to provide campaign committee treasurers with the ability to comply with existing campaign laws and provide a searchable database as required by S.L. 2010-169, Sec. 8, Government Ethics and Campaign Reform Act of 2010.
Total Budget Approved 2009 Session

$23,188,207

Budget Changes

1000 Department-Wide

108 Transfer Personnel Costs and Adjust Operating Budget

Transfers three vacant technical positions to receipt-support at a cost of $260,000 to use as resources for implementing the Payment Card Rebate Program; and transfers $10,000 to receipts for operating costs related to the positions. Also reduces expenditure accounts.

531211 Salaries ($207,527)
531511 Social Security ($15,875)
531521 Retirement ($21,811)
531561 Medical Insurance ($14,787)
532120 Financial Audit Svs ($15,000)
532815 IT:E-mail and Calendaring ($15,000)

(S.L. 2010-31, Sec. 27B.2)

109 Close Cash Balance Accounts

Eliminates remaining cash balances of four funds in Budget Code 24160: Business Infrastructure Study; Financials Planning Fund that provided the Feasibility Report on new financial systems completed in compliance with S.L. 2007-323 (HB 1473); Escheats funds collected by OSC that have been unclaimed by State agencies; and Foreign Nationals funding that supported the purchase of the last statewide license to access software for the program.

2400 Business Infrastructure Study ($137)
2403 Financials Planning Fund ($605,000)
2500 Escheats ($442,460)
2600 Foreign Nationals ($77,080)

110 CJLEADS

Appropriates funding for CJLEADS, which is a statewide information technology project designed to merge state criminal data records into one streamlined, comprehensive system. It will assist law enforcement and the courts by providing necessary information. Funding is provided to complete implementation of the Wake County pilot program, to begin expansion statewide, and for operational support and maintenance. Ten of the 30.50 positions will begin on April 1, 2011, and 10.50 of the positions are effective September 1, 2010.

Operating $8,360,088 $500,000

State Controller
531211 Personnel Salaries $ 1,355,750 R
531511 Social Security $ 102,495 R
531521 Retirement $ 142,489 R
531561 Health Insurance $ 100,449 R
532140 Contracted Services - Hardware and Technical Support $ 1,938,991 R
532140 Contracted Services - Application Development/Support $ 2,225,814 R
532140 Judicial SAS Lic--paid directly to SAS $ 2,000,000 R
532140 Contracted Personnel Resources $ 270,000 R
534713 Software/Training Licenses/3rd Party Svcs $ 142,500 R
532XXX-535XXX Equipment-Workstations/Phones $ 81,600 R

532140 Contracted Services - Hardware and Technical Support $ 500,000 NR
538141 Software - Executive Branch SAS ELA $ 3,000,000 NR
Total $11,860,088

Receipts
24160 Cash Balance
Unexpended Data Integration Funds ($3,000,000)NR

Appropriation $ 8,360,088 R
$ 500,000 NR

Positions
FTE Title Start Date
1.0 Operations and Systems Specialist 4/01/2011
.5 Business & Tech Applic Spec (DBA) 9/01/2011
1.0 Business & Tech Applic Spec (Dev) 9/01/2011
1.0 Operations and Systems Specialist 7/01/2010
1.0 Business & Tech Applic Analyst (Testers) 4/01/2011
1.0 Network Analyst 9/01/2010
4.0 Business & Tech Appl Analyst (Agency FTE) 9/01/2010
1.0 Executive Director 9/01/2010
3.0 Technical Support Analyst (Help Desk) 9/01/2010
3.0 Technical Support Analyst (Help Desk) 4/01/2011
1.0 Technical Support Specialist (Bus Ops Lead) 7/01/2010
3.0 Business & Tech Appl Analyst (BA's) 7/01/2010
2.0 Technical Support Analysts (Trainers) 7/01/2010
2.0 Technical Support Analysts (Trainers) 7/01/2010
4.0 Operations and Systems Analyst (Sys Aud) 4/01/2011
1.0 Technical Support Technician (User Admin) 7/01/2010
1.0 Technical Support Technician (User Admin) 4/01/2011

Budget Changes

$8,060,088 R
($624,677) NR

Total Position Changes 27.50

Revised Total Budget $30,623,618

State Controller
Special Provisions

2010 Session: SB 897

Department: State Controller

Section: 27B.1
Title: ADD OFFICE OF STATE PERSONNEL DIRECTOR TO BEACON PROJECT STEERING COMMITTEE
Summary: Adds the State Personnel Director as a member of the Beacon Project Steering Committee.

Section: 27B.2
Title: PAYMENT CARD REBATE PROGRAM
Summary: Directs OSC to establish the Payment Card Rebate Program, and to report to the Joint Legislative Commission on Governmental Operations on the progress of implementing the payment card rebate program by October 1, 2010.
2010 Annotated Committee Report

Treasurer

Budget Changes

1110 General Administration

111 Internal Auditor Positions

Provides an appropriation of $77,377 and receipts of $181,930 that total $259,307 for the Department to employ three Internal Auditor positions. The positions were recommended by the Council of Internal Auditing in keeping with G.S. 143-746. The Internal Auditors will be responsible for developing and administering a comprehensive internal audit function for the Department. The three positions will include a Director of Internal Audit, and two additional internal auditors. The positions are supported by receipts.

$250,307 Recurring
$ 9,000 Non-recurring

531211 Salaries $196,293 R
531511 Social Security $ 15,016 R
531521 Retirement $ 20,611 R
531561 Medical Insurance $ 14,787 R
532811 Telephone Service $  1,800 R
533110 General Office Supplies $  1,800 R
534511 Furniture - Office $  4,500 NR
534521 Office Equipment $  4,500 NR

1210 Investment Management

112 Operating Budget Reductions

Reduces division's operating budget.

532120 Finan/Audit Services ($143,163) R
532199 Misc Contractual Services ($32,071) R
532712 Air - Out of State ($10,000) R
532714 Transp - Ground - In State ($2,000) R
532715 Transp - Ground - Out of State ($1,000) R
532721 Lodging - In State ($3,000) R
532722 Lodging - Out of State ($10,000) R
532724 Meals - In State ($3,000) R
532725 Meals - Out of State ($6,000) R
1310 Local Government Operations

113 Operating Budget Reductions
Reduces expenditure accounts.

- 532199 Misc Contractual Svs ($1,451)
- 32840 Postage ($53,088)
- 533110 General Office Supplies ($7,000)

1410 Retirement Operations

114 Service Credit Audit Team (SAT)
Allows Department to increase receipts by $1,192,164 to provide the final year of funding for the Service Audit Team (SAT) in FY 2010-2011. For the past four years, SAT has worked to correct service data transferred from the legacy system. This funding completes work on all remaining unaudited pre-1997 active accounts that were targeted by the original RFP that had a five year plan. Funding is provided by receipts in expenditure account 538320 to support the following expenses:

- 532120 Financial Audit Svs $1,011,916
- 532140 Oth Information Tech Svs $5,833
- 532184 Janitorial Svs Agreement $7,583
- 532199 Misc Contractual Svs $5,833
- 532210 Enrg Ser - Electrical $16,333
- 532230 Enrg Ser - Water & Sewer $1,400
- 532513 Rent/Lease - Oth Fac $89,600
- 532811 Telephone Ser $49,000
- 533110 General Office Supplies $2,333
- 534511 Furn - Office $2,333

1510 Financial Operations - Banking

115 Operating Budget Reductions
Reduces expenditure accounts.

- 532811 Telephone Service ($5,313)
- 532840 Postage ($3,000)

Budget Changes

($205,394) R
$2,685 NR

Total Position Changes

3.00

Revised Total Budget

$17,362,691

Treasurer
Special Provisions

2010 Session: SB 897

Department: Treasurer

Section:
Title: No Special Provisions
Summary
## Treasurer - Retirement for Fire and Rescue

<table>
<thead>
<tr>
<th>FY 10-11</th>
<th>GENERAL FUND</th>
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<tbody>
<tr>
<td></td>
<td>$10,804,671</td>
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</table>

### Total Budget Approved 2009 Session

**$10,804,671**

### Budget Changes

116 NO LEGISLATIVE ACTION REPORTED

### Total Position Changes

#### Revised Total Budget

**$10,804,671**
Special Provisions

2010 Session: SB 897

Department: Treasurer - Retirement for Fire and Rescue

Section: 
Title: No Special Provisions

Summary
TRANSPORTATION

GENERAL FUND, HIGHWAY FUND & HIGHWAY TRUST FUND APPROPRIATIONS
Highway Fund

Total Budget Approved 2009 Session

FY 10-11
$1,739,650,000

Budget Changes

Administration

1 IT Budget Reductions
($207,933) R

Reduces the Department's IT budget to reflect FY 2010-11 rate changes from the Office of Information Technology Services.

2 IT Payment Card Industry Data Security Standard Compliance
$254,406 R

Provides funds to upgrade DOT's computer applications and supporting infrastructure that process payment cards to become compliant with new standards imposed by MasterCard. One Business and Technology Specialist position ($95,344) is funded and will serve as the compliance officer for the program.

3 IT - Enterprise IP Telephone System
$544,289 R

Provides funds to replace the existing DMW Interactive Voice Response hardware and applications and includes annual operating funds required for related IT expenses. The current telephone system is no longer supported and is critical to the Division's ability to respond effectively to citizens' needs and deliver a high level of customer service via its call center.
Aviation Division

4 Transfer of Department of Commerce Executive Aircraft Division

Transfers 3.0 pilots and 1.0 mechanic as well as the Department of Commerce's two aircraft to DOT's Aviation Division. This reduction reflects recommendations from the Program Evaluation Division Study of State Aircraft. The total amount transferred is $989,658, including $500,000 in General Fund appropriations and $489,658 in receipts. The DOT Aviation budget will have additional receipts of $127,315 from billing the Department of Commerce for use of the DOT aircraft.

The positions transferred include:
60080839 Executive Pilot II
60080840 Executive Pilot II
60080842 Aircraft Mechanic
60080838 Executive Pilot II

(S.B. 1168, H.B. 1823)

Department-wide

5 Vacant Positions

Eliminates 30 DOT positions vacant prior to January 1, 2010 that are supported by the Highway Fund and eliminates 400 vacant DOT positions funded through projects, receipts, or through federal funds.

The total cut to DMV for the salary and benefits for the vacant Highway Fund supported positions is $416,898. The total cut to the DOT administrative budget for the salary and benefits for the vacant Highway Fund supported positions is $1,485,106. (S.L. 2010-31, Sec. 28.9)
Division of Motor Vehicles

6 Medical Certification Compliance

Provides funds to allow DMV to become compliant with new federal requirements for medical certification as part of the Commercial Driver License (CDL) process. Medical certificates for all CDL holders must be reviewed by January 30, 2012 and every two years afterward to ensure they meet the medical requirements of the Federal Motor Carrier Safety Administration. In order to comply with these new federal requirements, funds are provided for additional personnel and for operating support.

Positions include four Processing Assistant V positions ($27,544 each) and one Administrative Assistant 1 ($29,502) for a total of five positions costing $139,678 in salaries and $52,673 in benefits. Additional recurring costs of $72,600 for mailing and $7,550 in nonrecurring costs for computers and office equipment are incurred.

7 DMV Security Measures

Provides funds to enhance building security at the Charlotte and Raleigh Registration and Renewals, Titles, and Plate offices. Security cameras, panic buttons, and door swipe card access systems are needed to secure State funds and equipment and limit access into secure areas.

Ferry Division

8 Maintain Current Level of Service

Provides operating funds to maintain the current level of services for FY 2010-11.
Maintenance

9 Maintenance Funds
Decreases funds for maintenance of the State's highway infrastructure.
The total budget for maintenance is $933,872,428 in FY 2010-11. Changes include:

<table>
<thead>
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<tr>
<td>$-4,693,213</td>
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S.L. 2010-123, Sec. 1.3A and Sec. 11.20, Budget Technical Corrections, increases the reduction in funds for General Maintenance Reserve from -$4,373,213 to -$4,693,213. The total budget for maintenance is $933,552,428.

Rail Division

10 Grants to Short Line Railroads
Provides funds to the Rail Division for grants to short line railroad companies for rehabilitation projects that strengthen North Carolina's short line rail infrastructure. (H.B. 1628)

$2,000,000 NR

11 Pembroke Northeast Bypass Connector
Provides funds for construction of the Pembroke Northeast Bypass project, which will provide improved multi-modal access to southeast North Carolina, linking the state's military bases and State ports.

$4,325,000 NR

Statutory Adjustments

12 Secondary Road Improvement Program Funds
Adjusts funding in FY 2010-11 for the secondary road improvement program based on revised projections for motor fuels tax revenue in accordance with G.S. 136-44.2A.

$3,840,718 R

13 Leaking Underground Storage Tank (LUST) Fund
Adjusts budget for the LUST fund by -1.5 percent based on projections for the motor fuels inspection fee in accordance with G.S. 119-18.

($40,000) R
### 14 Aid to Municipalities
Adjusts funding for aid to municipalities by -0.9 percent based on revised projections for motor fuels tax revenue in accordance with G.S. 136-41.1

### Transfers

#### 15 DPI - Driver Education Program
Partially restores funding to the Driver Education program. Funding was eliminated in FY2010-11 pending a Continuation Review. (S.L. 2010-31, Sec. 28.2)

#### 16 CCPS - VIPER matching funds
Provides funds to the Highway Patrol for matching funds for the Public Safety Interoperability Communications grant from the US Department of Commerce. The grant will assist in the further development of the Voice Interoperability Project for Emergency Responders (VIPER) network.

#### 17 North Carolina Global TransPark Authority
Reduces the Global TransPark Budget by 25 percent to a total of $960,000. (S.L. 2010-31, Sec. 28.3)

(S.L. 2010-123, Sec. 1.3A and Sec. 11.20, Budget Technical Corrections, eliminates this money item.)

#### 18 Reduce Transfer to General Fund - Dept of State Treasurer
Reduces the transfer to the General Fund by $500,000 to account for the transfer of the Department of Commerce Executive Aircraft Division.

---

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Highway Fund
### Budget Changes

#### Highway Trust Fund

#### 19 Administration
- Increases appropriation for administration for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b).

#### 20 Aid to Municipalities
- Increases appropriation for Aid to Municipalities for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(3).

#### 21 Intrastate System
- Increases appropriation for the Intrastate System for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(1).

#### 22 Secondary Road Construction
- Reduces appropriation for the Secondary Road construction program for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(4).

#### 23 Urban Loops
- Increases appropriation for the Urban Loops for FY 2010-11 consistent with new revenue estimates and G.S. 136-176(b)(2).
### 2010 Annotated Committee Report

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Highway Trust Fund
Special Provisions

2010 Session: SB 897

Department: Highway Fund

Section: 28.1
Title: CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS
Summary: Sets forth boilerplate language that allows DOT to contract for payments beyond the biennium.

Section: 28.2
Title: DRIVER EDUCATION PROGRAM FUNDING STUDY
Summary: Requires the Office of State Budget and Management to review the funding and efficacy of the Driver Education Program and make recommendations to the Governor and the General Assembly by November 1, 2010.

Section: 28.3
Title: GLOBAL TRANSPARK REPORT ON ANTICIPATED REPAYMENT SCHEDULE AND PROGRAM EVALUATION DIVISION REVIEW
Summary: Requires the Global TransPark Authority to report on its strategic, business, and financial plans by December 31, 2010. Requires the Program Evaluation Division of the General Assembly to conduct a comprehensive program and financial review of the Global TransPark Authority and to report to the Joint Legislative Program Evaluation Oversight Committee no later than March 1, 2011.

(S.L. 2010-123, Sec. 8.1, Budget Technical Corrections, amends this provision to change the reporting date for the Program Evaluation Division from March 1, 2011 to May 1, 2011.)

Section: 28.4
Title: ADJUST ROAD NAMING POLICY
Summary: Requires the Department of Transportation to remove the existing prohibition on naming State roads after specific military veterans and to adopt a policy for naming highways after specific military veterans.

Section: 28.7
Title: ESTABLISH NC MOBILITY FUND
Summary: Establishes the North Carolina Mobility Fund to fund transportation projects of statewide and regional significance. The Mobility Fund is not subject to the equity formula in G.S. 136-17.2A. The initial project of the Mobility Fund shall be the widening and improvement of Interstate 85 north of the Yadkin River Bridge. Funding for the Mobility Fund is $39 million in Fiscal Year 2010-11, $31 million in Fiscal Year 2011-12, $45 million in Fiscal Year 2012-13, and $58 million in subsequent years. Also, the Highway Trust Fund transfer to the General Fund, G.S. 105-187.9(b), is phased out over this period.
Section: 28.8
Title: EXEMPT YADKIN RIVER BRIDGE PHASE I "GARVEE" BONDS FROM EQUITY FORMULA
Summary Exempts funds used in repayment of GARVEE bonds for the Yadkin River Bridge Phase I from the equity formula in G.S. 136-17.2A. (H.B. 1975, Sec. 1, Exempt DOT Equity Funds/GARVEE Bonds)

Section: 28.9
Title: SEMIANNUAL PERSONNEL REPORT
Summary Creates G.S. 136-12.2 to require the Department of Transportation to report on May 1 and November 1 to the General Assembly regarding personnel positions within the Department, detailing the Department's vacancies by funding source.

Section: 28.10
Title: EXEMPT APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM FUNDS FROM EQUITY FORMULA
Summary Amends G.S. 136-17.2A to exempt funds from the federal government for the Appalachian Development Highway System from the equity formula. (H.B. 1644)

Section: 28.11
Title: VISITOR CENTER FUNDS
Summary Amends G.S. 20-79.7(c) to add two visitor centers, one in the town of Fair Bluff in Columbus County and one on U.S. Highway 421 in Wilkes County, and appropriates $100,000 annually to each from the Special Registration Plate Account for the purpose of operating assistance. (H.B. 1521)
RESERVES, DEBT SERVICE & ADJUSTMENTS

GENERAL PROVISIONS
## Statewide Reserves

### General Fund

### FY 10-11

| Total Budget Approved 2009 Session | $1,176,309,585 |

### Budget Changes

#### B. Other Reserves

1. **Job Development Incentive Grants Reserve**
   - Reduces the continuation budget based on projected payment schedule.
   - **($6,600,000) NR**

2. **Increase Debt Service**
   - Increases debt service in anticipation of an additional $175 million issuance of COPs for Repairs and Renovations and equipment for Universities and Community Colleges.
   - **$14,177,072 R**

3. **Adjust Debt Service Payments**
   - Modifies budgeted debt service payments to correspond to projected payment schedules.
   - **($15,845,385) R**

### Total Position Changes

- **Budget Changes**
  - **($1,668,313) R**
  - **($6,600,000) NR**

- **Revised Total Budget**
  - **$1,168,041,272**
Special Provisions

2010 Session: SB 897

Department: Availability and Appropriations

Section: 1.1
Title: TITLE OF ACT

Section: 1.1
Title: INTRODUCTION
Summary: Sets forth boilerplate components of S.L. 2010-31, Appropriations Act of 2010, including the parameters for appropriations pursuant to G.S. 143C-1-2(b). States that amounts appropriated in the act are maximum and savings shall revert to the appropriate fund at the end of the fiscal year.

Section: 2.1
Title: CURRENT OPERATIONS AND EXPANSION/GENERAL FUND
Summary: Sets forth adjustments to the FY 2010-11 General Fund budget enacted during the 2009 legislative session in S.L. 2009-451, Appropriations Act of 2009. Adjustments represent net changes to the certified budget as enacted by the General Assembly.

(S.L. 2010-123, Sec. 1.1, Budget Technical Corrections, amends this provision to correct the amount appropriated for the UNC System.)

Section: 2.2
Title: GENERAL FUND AVAILABILITY STATEMENT
Summary: Sets forth the general purpose revenue and other resources available to support appropriations made in Section 2.1.

Subsection (a) repeals the Availability Statement in S.L. 2009-451, Sec. 2.2(a), Appropriations Act of 2009, and lists general purpose revenue as well as the other sources of availability.

Subsection (b) directs the Controller not to transfer funds to the Repairs and Renovation Account notwithstanding G.S. 143C-4-3.

Subsection (c) directs the Controller not to transfer funds to the Savings Reserve Account notwithstanding G.S. 143C-4-3.

Subsections (d-f), (h) and (j) direct the Controller to transfer funds from special revenue funds as follows:

- Scrap Tire Disposal Account $2,500,000
- White Goods Management Account $1,200,000
- Health and Wellness Trust Fund $5,397,000
- Mercury Pollution Prevention $2,250,000
- Forestry - Bladen Lakes $150,000
- Wildlife Resources-Special $3,000,000
- DACS - NC State Fair $1,000,000
- Brody School of Medicine $2,000,000

Subsection (g) repeals S.L. 2009-451, Sec. 2.2(g), Appropriations Act of 2009, as amended by S.L. 2009-575, Sec.2, Budget Technical Corrections.
Subsection (i) rewrites S.L. 2009-451, Sec. 2.2(h), Appropriations Act of 2009, to allow funds from the Tobacco Trust Fund to be transferred on or after April 20, 2011.

(S.L. 2010-123, Sec. 1.2, Budget Technical Corrections, amends this section to clarify that the diversion of funds from the Scrap Tire Disposal and White Goods Accounts is for the distributions taking place in FY 2010-11; to correct the amount transferred from the Brody School of Medicine from $2 million to $1 million; to transfer $1 million from the Contingency and Emergency Fund to the State Fair Enterprise Fund; and to establish a reserve and appropriate $671,893 for implementation of S.L. 2010-169 (H.B.916), Government Ethics and Campaign Reform Act of 2010.)

Section: 2.3
Title: EXTRAORDINARY MEASURES TO ADDRESS THE POTENTIAL LOSS OF FEDERAL FUNDS
Summary: Sets forth a contingency plan in the event the $518.9 million in additional federal American Recovery and Reinvestment Act funds appropriated in S.L. 2010-31, Appropriations Act of 2010, are not forthcoming; and directs the Governor to backfill through the following means, in order of priority:

- Transfer $30.0 million from the Disaster Relief Reserve Fund
- Transfer $35.0 million of unclaimed lottery prize money and excess receipts
- Use $50.0 million in interest earnings from governmental and proprietary funds
- Use $23.5 million from the unappropriated General Fund balance
- Cut $26.6 million in Medicaid provider rates
- Use $37.3 million from the Savings Reserve Account
- Reduce by $139.0 million contributions to the retirement system
- Reduce agency budgets by $177.5 million, a 1% management flexibility reduction

(S.L. 2010-123, Sec. 1.3, Budget Technical Corrections, amends this section to correct the list of Medicaid providers that would not be affected by an additional rate reduction and makes other technical and clarifying changes.)

Section: 3.1
Title: CURRENT OPERATIONS/HIGHWAY FUND
Summary: Sets forth adjustments to the FY 2010-11 budget enacted during the 2009 legislative session. Adjustments represent net changes to the certified budget.

( S.L. 2010-123, Sec. 1.3A, Budget Technical Corrections, amends this section to correspond with changes made in the Department of Transportation appropriations pursuant to Section 11.20 of the Act.)

Section: 3.2
Title: HIGHWAY FUND AVAILABILITY
Summary: Repeals S.L. 2009-451, Sec. 3.2, Appropriations Act of 2009, and sets forth the $1.8 billion in resources available from the Highway Fund to support the operations of the Department of Transportation for FY 2010-11. The other portion of availability is derived from the Highway Trust Fund.

Section: 4.1
Title: CURRENT OPERATIONS/HIGHWAY TRUST FUND
Summary: Sets forth adjustments to the FY 2010-11 budget enacted during the 2009 legislative session. Adjustments represent net changes to the certified budget.
Section: 4.2  
Title: HIGHWAY TRUST FUND AVAILABILITY STATEMENT  
Summary: Repeals S.L. 2009-451, Sec. 4.2, Appropriations Act of 2009, and sets forth the $929 million in resources available from the Highway Trust Fund to support the operations of the Department of Transportation for FY 2010-11.

Section: 5.1  
Title: EDUCATION LOTTERY  
Summary: Makes various temporary changes to the Education Lottery laws as follows:

Subsections (a - b) set forth the lottery net proceeds and the corresponding appropriations for the four education programs benefiting public schools and postsecondary institutions; and directs a one-time transfer of Lottery Reserve funds to support classroom teachers.

Subsections (c and d) waive G.S. 18C-164(f) to transfer most FY 2009-10 excess receipts to school capital and allow the remaining balance to be used for Scholarships for Needy Students.

Subsection (e) gives counties, for FY 2010-11 only, flexibility to use school capital allocations to support classroom teachers, at the request of the local school district and directs the allocation of school capital funding on the basis of student headcount for FY 2010-11;

Subsection (f) modifies scholarship funding to redirect $26.6 million of lottery scholarship funds solely to UNC need-based aid; and

Subsection (g) waives G.S. 18C-164(f) to allow excess net revenues to be allocated solely for school capital on the basis of average daily membership.

(S.L. 2010-123, Sec. 1.4, Budget Technical Corrections, amends this section to clarify that only FY 2010-11 Lottery capital funds may be used for classroom teachers.)

(S.B. 2/H.B. 352 and H.B. 268)

Section: 5.2  
Title: INFORMATION TECHNOLOGY AVAILABILITY AND APPROPRIATION  
Summary: Rewrites S.L. 2009-451, Sec. 5.3(b), Appropriations Act of 2009, to adjust the amounts appropriated in the Information Technology Fund.

Section: 5.3  
Title: APPROPRIATION OF CASH BALANCES  
Summary: Amends S.L. 2009-451, Sec. 5.4(a)(2), Appropriations Act of 2009, to appropriate funds at the FY 2009-10 actual spending levels for those budget codes not listed in the Governor's Recommended Operating Budget 2009-2011; and restricts those affected State agencies' spending for the programs, purposes, objects, and line items to the FY 2009-10 budget level.

Section: 5.4  
Title: OTHER RECEIPTS FROM PENDING GRANT AWARDS  
Summary: Amends S.L. 2009-451, Sec. 5.6, Appropriations Act of 2009, to clarify that only the authorized, not the certified, budget can be changed after the enactment of the Appropriations Act.
2010 Session: SB 1202

Department: Availability and Appropriations

Section: 1.1
Title: TECHNICAL CHANGES: GENERAL PROVISIONS
Summary: Amends S.L. 2010-31, Sec. 2.1, Appropriations Act of 2010, to correct the amount appropriated for
the universities.

Section: 1.2
Title: BUDGET AND TECHNICAL CHANGES: VARIOUS CHANGES
Summary: Amends S.L. 2010-31, Sec. 2.2, Appropriations Act of 2010, as follows:
Subsections (a) and (b) clarify that the transfer of funds is from distributions to the Scrap Tire
Disposal and White Goods Management Accounts during FY 2010-2011.
Subsection (c) reduces the transfer to General Availability from the Brody School of Medicine from $2
million to $1 million.
Subsection (d) amends the section to add a new subsection 2.2.(k) to transfer $1 million from the
Contingency and Emergency Fund to the Department of Agriculture, DACS-NC State Fair.
Subsection (e) amends the section to add a new subsection 2.2.(l), ESTABLISH RESERVE FOR
SOFTWARE DEVELOPMENT FOR THE STATE BOARD OF ELECTIONS, to appropriate $671,893
(recurring) to the Office of State Budget and Management in compliance with S.L. 2010-169; HB 961,
the Government Ethics and Campaign Reform Act of 2010.

Section: 1.3
Title: TECHNICAL CHANGES: MEASURES TO ADDRESS POTENTIAL LOSS OF ENHANCED FMAP
FUNDS
Summary: Rewrites S.L. 2010-31, Sec. 2.3, Appropriations Act of 2010, to make the following technical
corrections and changes:
Subsections (b), (b1), (e) and (g) clarify that the contingency language in the section applies to both
increases in availability or decreases in appropriations; adjusts amounts to reflect an additional
appropriation made from the unappropriated balance in General Fund Availability; and appropriates
the funds accordingly.
Subsection (f) corrects the list of Medicaid providers not effected by an additional rate reduction.
Subsection (i) states that if a management flexibility cut is required to backfill enhanced Medicaid
FMAP funds, agencies are encouraged to take other steps before dismissing employees; also allows
DHHS to reduce reimbursement rates ahead of time to avoid a larger cut; and clarifies that the
management flexibility cut does not apply to Medicaid provider rates.

Section: 1.3A
Title: BUDGET CHANGE: ELIMINATE CUT TO GLOBAL TRANSPARK AUTHORITY
Summary: Amends S.L. 2010-31, Sec. 3.1, 2010 Appropriations Act, to reflect changes made in Section 11.20
of this Act, which adjusts Department of Transportation appropriations from the State Highway Fund
by making an additional $320,000 cut in General Maintenance Reserve and eliminating a cut to the
Global TransPark Authority.
Section: 32.1  
Title: STATE BUDGET ACT APPLIES  
Summary: Reenacts the State Budget Act, Chapter 143C and incorporates the Act into the S.L. 2010-31, Appropriations Act of 2010, by reference.

Section: 32.2  
Title: COMMITTEE REPORT  
Summary: Sets forth how the Committee Report, also known as the money report, is to be used in conjunction with the annual Appropriations Act; directs that the Committee Report is to be used to construe the Appropriations Act as directed in G.S. 143C and is to be printed as part of the Session Laws; states that the FY 2010-11 budget adjustments are set forth in the Committee Report; and clarifies that the Appropriations Act supersedes the Committee Report in the event of a conflict between the two.

Section: 32.2A  
Title: REPORT OF THE FISCAL RESEARCH DIVISION ON CHANGES TO THE 2010-2011  
Summary: Allows the Fiscal Research Division to issue a revised Committee Report to include all legislatively enacted modifications to the FY 2010-11 budget, made prior to the adjournment of the 2009 Regular Session; and directs that, if a revised report is issued, it be sent to the Director of the Budget and posted on the General Assembly's website.  

(S.L. 2010-123, Sec. 11.21, Budget Technical Corrections, amends this section to exclude pages N-1 and N-2, Information Technology Fund, that were inadvertently included in the Committee Report.)

Section: 32.3  
Title: MOST TEXT APPLIES ONLY TO THE 2010-2011 FISCAL YEAR  
Summary: Sets forth a boilerplate provision stating that provisions of S.L. 2010-31, Appropriations Act of 2010, apply to FY 2010-2011 only, unless the Act stipulates otherwise.

Section: 32.4  
Title: EFFECT OF HEADINGS  
Summary: States that the purpose of headings throughout S.L. 2010-31, Appropriations Act of 2010, are for reference and convenience purposes only.

Section: 32.5  
Title: APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY  

Section: 32.6  
Title: SEVERABILITY CLAUSE  
Summary: Clarifies that a judicial ruling declaring a section or provision of the Appropriations Act unconstitutional or invalid, does not render the whole or any part of the Act invalid.

Section: 32.7  
Title: EFFECTIVE DATE  
Summary: Sets July 1, 2010 as the effective date of S.L. 2010-31, Appropriations Act of 2010, unless enacted otherwise.
Special Provisions

2010 Session: SB 1202
Department: General Provisions

Section: 11.21
Title: TECHNICAL CHANGE: COMMITTEE REPORT

Summary: Amends S.L. 2010-31, Sec. 32.2, Appropriations Act of 2010, to clarify that pages N-1 and N-2, Information Technology Fund, of the Committee Report are not to be considered part of the Appropriations Act.
Section: 1.4
Title: TECHNICAL CHANGE: EDUCATION LOTTERY FUNDS
Summary: Clarifies that only FY 2010-11 Education Lottery capital funding may be used for classroom teachers.

Special Provisions

2010 Session: SB 897
Department: General Provisions

Section: 6.1
Title: EXPENDITURE OF FUNDS IN RESERVES LIMITED
Summary: Restricts the use of funds appropriated specifically into a reserve to only the purposes for which the reserve was established.

Section: 6.2
Title: BUDGET CODE CONSOLIDATIONS
Summary: Allows the Office of State Budget and Management to adjust the enacted budget solely to consolidate budget and fund codes and/or close inactive budget and fund codes.

Section: 6.3
Title: BUDGET REALIGNMENT
Summary: Waives G. S. 143C-6-4(b) to allow the Office of State Budget and Management to correctly align authorized positions and associated operating costs with the appropriate purpose or program.

Section: 6.5
Title: ESTABLISHING OR INCREASING FEES PURSUANT TO THIS ACT
Summary: Provides the authority for State agencies to establish fees enacted in S.L. 2010-31, Appropriations Act of 2010, as follows:

Subsection (a) waives the G.S. 12-3-1 requirement allowing agencies to implement fee adjustments without prior consultation with the Joint Legislative Commission on Governmental Operations.

Subsection (b) waives G.S. 105B-21.1A(a) to allow State agencies to enact emergency rules, if required, to implement fees enacted in the Appropriations Act of 2010.

Section: 6.6
Title: LEGISLATIVE BUDGET PRIORITIES
Summary: Sets forth a list of the various initiatives and funds the General Assembly enacted during the 2010 session in support of job creation and economic development.

Section: 6.7
Title: AMEND ARRA FUNDS
Summary: Amends S.L. 2009-451, Sec. 6.6C(b), Appropriations Act of 2009, to require State agencies to report the receipt of new ARRA funds, not included in the 2010 Appropriations Act, within 30 days of notification; prior consultation with the Joint Legislative Commission on Governmental Operations before expending federal ARRA funds is no longer required.

Section: 6.8
Title: INFORMATION TECHNOLOGY SPECIAL PROVISIONS
Summary: NOTE: All summaries of information technology special provisions found in Part VI. GENERAL PROVISIONS of S.L. 2010-31, Appropriations Act or 2010, may be found in the Information Technology Section of this document.
CAPITAL
A. Department of Environment and Natural Resources

1 Water Resources Development Projects
Provides funds to allow the State to match $27.3 million in federal funding for Water Resources Development Projects and provides the State match to local grant projects. Projects are specified in a special provision. (S.L. 2010-31, Sec. 30.2) $9,130,000 NR

B. Department of Crime Control and Public Safety

2 Phase I of State Highway Patrol Training Facility - Planning
Provides full capital planning funds for Phase I of the State Highway Patrol Training Facility in Wake County. Phase I shall include an armory, medical office, dorm facilities, and facilities for computer security purposes. The total cost of Phase I is $25,543,000. The total square footage of the facility shall be no more than 94,800 square feet. (S.L. 2010-31, Sec. 30.1) $2,043,440 NR

C. State Facilities Special Indebtedness

3 Repair and Renovations Reserve
Authorizes issuance of certificates of participation to be allocated to the Reserve for Repairs and Renovation. The University of North Carolina System will receive 50 percent of the allocation. The Office of State Management and Budget will receive 50 percent of the allocation to be distributed to the various State agencies. The Office of State Management and Budget is directed to allocate $500,000 to the Department of Crime Control and Public Safety to repair and renovate National Guard Armories. The total debt authorized is $120,000,000. (S.B. 1378; S.L. 2010-31, Sec. 30.4 and 30.7)
D. Equipment Special Indebtedness

4 Education Equipment Special Indebtedness

Authorizes the issuance of certificates of participation to be allocated to the University of North Carolina System and the North Carolina Community College System for the purpose of acquiring equipment for education and research in fields related to health, science, engineering and technology programs. The total debt authorized is $55,000,000. The North Carolina Community College System shall receive $33,000,000 and the University of North Carolina System shall receive $22,000,000. (S.B. 1378; S.L. 2010-31, Sec. 30.7 and 30.11).

Total Appropriation to Capital

$11,173,440  NR
Special Provisions

2010 Session: SB 897

Department: Capital

Section: 30.1
Title: CAPITAL APPROPRIATIONS/GENERAL FUND
Summary: Appropriates $11,173,440 million for capital improvement projects for the 2010-11 fiscal year as follows:

- Department of Crime Control and Public Safety - $2,043,440
- Department of Environment and Natural Resources - $9,130,000

Section: 30.2
Title: WATER RESOURCES DEVELOPMENT PROJECT FUNDS
Summary: 30.2(a) allocates $9.13 million for the following projects:

- Wilmington Harbor Deepering - $900,000
- Wilmington Harbor Maintenance - $2,000,000
- Morehead City Harbor Maintenance - $100,000
- B. Everett Jordan Lake Water Supply Storage - $200,000
- Dredging Contingency Fund - $1,250,000
- ALWW Dredging - $1,000,000
- Bogue Banks Shore Protection Study - $5,000
- John H. Kerr Dam and Reservoir Sec. 216 - $50,000
- Neuse River PED - $0
- Princeville Flood Damage Reduction - $200,000
- Currituck Sound Environmental Restoration Study - $50,000
- Belhaven Harbor - Cap - Sec. 1135 - $350,000
- Surf City/North Topsail Beach Protection Study PED - $0
- West Onslow Beach (Topsail Beach) PED - $50,000
- Silver Lake Harbor Disposal Area Maintenance - $800,000
- Manteo Old House Channel - CAP - Sec. 204 - $25,000
- Concord Streams Restoration - CAP - Sec. 206 - $0
- Planning Assistance to Communities - $0
- State-Local Projects - $1,650,000
- Aquatic Plant Control, Statewide and Lake Gaston - $350,000
- Cape Fear River Basin Model Update - $150,000

30.2(b) Allows adjustment of the allocations among projects if actual costs vary from estimated costs. Provides for the use of available funds resulting from delayed projects. Requires reversion of funds that remain unexpended or unencumbered at the end of the 2011-12 fiscal year.

Allows the use of available funds for State-local projects; US Army Corps of Engineers feasibility studies; or to pay the State match for any additional federal water resource development funds that become available during the 2010-11 fiscal year. Forbids the use of fund availability to be used to fund the North Carolina International Terminal.

30.2(c) Requires semi-annual reports on the use of funds.

Section: 30.3
Title: NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS
Summary: 30.3(a) Authorizes $16.1 million in capital improvement projects funded by sources outside of the General Fund.

30.3(b) Transfers $30,000 to the Department of Agriculture and Consumer Services for the Department's plant conservation program.
Section: 30.4  
Title: REPAIRS AND RENOVATION RESERVE ALLOCATION  
Summary: 30.4(a) Allocates funds in the Repairs and Renovations Reserve Account between the Board of Governors of the University of North Carolina System (UNC System) and the Office of State Budget and Management (OSBM). The UNC System and OSBM each receive 50% of funds in the Reserve.

30.4(b) Directs the transfer of $120 million in debt proceeds authorized in Sec. 30.7(a)(1) to the Repairs and Renovation Reserve Account.

30.4(c) Directs the UNC System to continue installing fire sprinklers in campus dormitories.

30.4(d) Directs the UNC System to use funds from the Reserve to implement campus public safety projects eligible for Reserve funding.

30.4(e) Directs OSBM to transfer $500,000 of their Reserve allocation to the Department of Crime Control and Public Safety for Armory Repair and Renovation.

Section: 30.5  
Title: AMEND 2009 WILDLIFE RESOURCES COMMISSION NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS  
Summary: 30.5(a) Amends SL 2009-451, Sec. 27.4(a) to alter and add capital improvement projects funded by sources outside of the General Fund for the Wildlife Resources Commission.

30.5(b) Amends SL 2009-451 to add Sec. 27.4(a1) and specifies the procedure for expending funds from the Statewide Emergency Repair and Renovation.

Section: 30.6  
Title: AMEND COPS AUTHORIZATION LANGUAGE/UNCG  
Summary: 30.6 Amends SL 2008-107, Sec. 27.8(a) to allow UNC Greensboro to acquire property for the development and construction of a new railroad underpass.

Section: 30.7  
Title: SPECIAL INDEBTEDNESS PROJECTS  
Summary: 30.7(a) Authorizes the issuance of special indebtedness in the form of certificates of participation for the following:

30.7(a)(1) authorizes $120 million to be allocated to the Reserve for Repair and Renovations in Sec. 30.4.

30.7(a)(2) authorizes $55 million to acquire equipment at the University of North Carolina System and

Section: 30.8  
Title: STATUTORILY DEFINE "SCOPE"  
Summary: 30.8 Amends GS 143C-1-1(d) to add 16(a) to define an increase in scope of a capital improvement project. An increase in scope would entail increasing the square footage by 10% and/or programming new functions into the project.

Section: 30.9  
Title: AMEND DEBT SERVICE FOR GREEN SQUARE COMPLEX PARKING CONSTRUCTION  
Summary: 30.9 Amends SL 2009-451, Sec. 27.8 to state that the General Fund shall service the debt for the Green Square Complex parking deck until the debt is retired.

Section: 30.10
Title: PROHIBIT GENERAL FUND EXPENDITURES FOR THE NORTH CAROLINA INTERNATIONAL TERMINAL

Summary: 30.10 Prohibits the use of General Funds to fund the North Carolina International Terminal. This

Section: 30.11
Title: ALLOCATION AND USE OF PROCEEDS OF SPECIAL INDEBTEDNESS ISSUED FOR

Summary: 30.11(a) Allocates 40% of the special indebtedness authorized in Sec. 30.7 of this act to the Board of Governors of the University of North Carolina and the remaining 60% to the State Board of Community Colleges. The funds are to be used to purchase equipment for the constituent institutions for teaching and research in the fields of health, science, engineering, and technical educations.

30.11(b) Allows the State Board of Community Colleges to use funds to make improvements to capital facilities in order to effectively utilize the purchased equipment.

30.11(c) Requires the Board of Governors and the State Board of Community Colleges to report to the Joint Legislative Commission on Governmental Operations on the allocation and reallocation of funds in this section.
INFORMATION TECHNOLOGY SERVICES
Special Provisions

2010 Session: SB 897

Department: Information Technology Services

Section: 5.2
Title: INFORMATION TECHNOLOGY AVAILABILITY AND APPROPRIATIONS
Summary: Defines the uses of the Information Technology Fund for SFY 2010-2011, to include the following:

Information Technology Operations
- Center for Geographic Information and Analysis: $740,000
- Enterprise Security and Risk Management Office: $1,101,296
- Enterprise Project Management Office: $1,795,000
- Architecture and Engineering: $648,000
  Total Information Technology Operations: $4,284,296

Information Technology Projects
- Enterprise Licensing: $300,000
- State Portal: $500,000
- Enterprise Identity Management: $1,250,000
- IT Consolidation: $2,079,467
- Electronic Forms/Digital Signatures: $653,704
  Total Information Technology Projects: $4,783,171

Total: $9,067,467

Section: 6.8
Title: INFORMATION TECHNOLOGY OPERATIONS
Summary: Establishes operating requirements for the State Chief Information Officer, to include preparing information technology budgets in sufficient time to allow State agencies to include adjustments in their budgets, obtaining prior written approval from State agencies before the SCIO enters into contracts for enterprise projects or contracts, allowing the Office of Information Technology Services to contracts for goods and services for up to three years, and establishing standards for support to agencies.

Section: 6.9
Title: COORDINATION OF INFORMATION TECHNOLOGY REQUIREMENTS AND GEOGRAPHIC INFORMATION SYSTEM EFFORTS
Summary: Requires the State Chief Information Officer, working with both the Enterprise Project Management Office and the Center for Geographic Information and Analysis, to adopt measure to avoid the duplication of information technology capabilities and resources across State agencies.
Section: 6.10  
Title: CRIMINAL JUSTICE LAW ENFORCEMENT AUTOMATED DATA SERVICES (CJLEADS)  
Summary: Continues the development and implementation of CJLEADS, begins the Statewide expansion of the system, and begins the transition of the system to the Department of Justice. CJLEADS is a program designed to integrate data found within the state's various criminal justice applications and will provide up-to-date criminal information in a centralized location via a secure connection for use by state and local government criminal justice professionals.

Section: 6.11  
Title: ITS NETWORK INTEGRATION  
Summary: Requires the Office of Information Technology Services and MCNC to identify areas in which it may be feasible to coordinate their operations and to develop a coordination plan by December 1, 2010.

Section: 6.12  
Title: INFORMATION TECHNOLOGY CONTRACTED PERSONNEL  
Summary: Requires State agencies to obtain approval from the Statewide Information Technology Procurement Office before hiring information technology contractors and to submit detailed monthly reports on information technology contractors.

Section: 6.14  
Title: FUNDING FOR DATA INTEGRATION ENTERPRISE LICENSING AGREEMENTS  
Summary: Limits the State Chief Information Officer to $2,000,000 in data integration funds for data integration enterprise licenses and requires the SCIO to recover excess costs through cost allocation.

Section: 6.15  
Title: NETWORK SECURITY ASSESSMENTS  
Summary: Transfers responsibility for network security assessments from the Office of the State Auditor to the State Chief Information Officer.

Section: 6.17  
Title: ENTERPRISE ELECTRONIC FORMS AND DIGITAL SIGNATURES  
Summary: Directs the State Chief Information Officer to plan, develop, and implement a coordinated enterprise electronic forms and digital signatures capability.

Section: 6.18  
Title: ADDRESS NEEDS FOR BROADBAND FOR EDUCATION AND ECONOMIC DEVELOPMENT/CREATE JOINT BROADBAND TASK FORCE  
Summary: Creates a Joint Broadband Task Force to bring together public and private internet access providers, legislators, and other interested parties to advance last mile deployments of broadband.
Section: 6.19
Title: SMART CARDS FOR EFFICIENCY, ENHANCED SERVICES, AND REDUCED FRAUD
Summary: Allows the use of up to $1,000,000 in E-procurement receipts to develop integrated circuit cards, or "smart cards," that have the capability to support financial and health services transactions.

**2010 Session: SB 1202**

**Department:** Information Technology Services

Section: 2.3
Title: BUDGET CHANGES: CONTINUING PILOT PROGRAM TO ALLOW PUBLIC-PRIVATE PARTNERSHIPS TO MEET DEPARTMENT OF REVENUE TECHNOLOGY NEEDS
Summary: Extends to June 30, 2015, the public-private partnership established by the Department of Revenue to provide funding for the Tax Information Management System and requires the Department to use appropriated funding for internal costs.
SALARIES & BENEFITS
Salaries

State Funded Compensation and Across-the-Board Compensation Changes
The State provides funding for salaries and salary increases for employees of State agencies and universities and a majority of the personnel employed by local public schools and community colleges. The General Fund payroll base is estimated to exceed $10.96 billion for FY 2010-11. Total payroll is expected to exceed $15.38 billion, including receipts from State agencies, universities, local public schools, and community colleges.

Salary Freeze
The 2010 Session of the General Assembly maintained the freeze on most salary increases for State employees as enacted during the 2009 Session. Section 26.1A of S.L. 2009-451 (2009 Appropriations Act), as amended by Section 21 of S.L. 2009-575 (2009 Technical Corrections Bill), by Section 29.7(c) of S.L. 2010-31 (2010 Appropriations Act), and by Section 9.2 of S.L. 2010-123 (2010 Technical Corrections Bill), reads as rewritten:

Section 26.1A.(a) The salaries of those officers and employees, whose salaries for the 2008-2009 fiscal year were set or increased in Sections 26.1, 26.2, 26.3, 26.4, 26.5, 26.6, 26.7, 26.8, 26.9, 26.10, 26.11, 26.11A, 26.12, 26.12D, 26.13, 26.14, 26.18, and 26.19 of Session Law 2008-107, and in effect on June 30, 2009, or the last date in pay status during the 2008-2009 fiscal year if earlier, shall remain in effect and shall not increase for the 2009-2010 and 2010-2011 fiscal years, except:

(1) As provided for by Section 29.20A of S.L. 2005-276.
(2) For Community College faculty as otherwise provided in Section 8.1 of this act.
(3) For University of North Carolina (i) faculty using funds from the Faculty Recruiting and Retention Fund, the Distinguished Professors Endowment Fund, or the University Cancer Research Fund in the case of faculty involved in cancer research supported by that fund and (ii) faculty, nonfaculty, and other employee adjustments funded from non-state funding sources.
(3a) For Judicial Department employees for local supplementation as authorized under G.S. 7A-300.1.
(4) Salaries may be increased for reallocations or promotions, in-range adjustments for job change, career progression adjustments for demonstrated competencies, or any other adjustment related to an increase in job duties or responsibilities, none of which are subject to the salary freeze otherwise provided by this subsection. All other salary increases are prohibited.

Section 26.1A.(b) The automatic salary step increases for assistant and deputy clerks of superior court and magistrates are suspended for the 2009-2010 and 2010-2011 fiscal years.

Section 26.1A.(c) The salary increase provisions of G.S. 20-187.3 are suspended for the 2009-2010 and 2010-2011 fiscal years.

Section 26.1A.(d) For the 2009-2010 and 2010-2011 fiscal years, the salaries of members and officers of the General Assembly shall remain the amounts set under G.S. 120-3 in 1994 by the 1993 General Assembly.

The 2010 Session of the General Assembly also maintained the freeze on public school teacher, principal, and assistant principal salaries (no experience based step increases) as enacted during the 2009 Session. Tables 1 and 2 are the experience based schedules in effect for the 2010-11 Fiscal Year.
### TABLE 1

**FY 2010-11**

Principal and Assistant Principal Base Salary Schedule

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<th>Classification</th>
<th>Assistant Principal</th>
<th>Principal I (0-10)</th>
<th>Principal II (11-21)</th>
<th>Principal III (22-32)</th>
<th>Principal IV (33-43)</th>
<th>Principal V (44-54)</th>
<th>Principal VI (55-65)</th>
<th>Principal VII (66-100)</th>
<th>Principal VIII (101+)</th>
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### TABLE 2

**Teacher Salary Schedule**

**For the 2010-11 School Year**

NBPTS Bonus = 12%, Master's 10.00% Higher Than Bachelor's

<table>
<thead>
<tr>
<th>Years of Experience</th>
<th>&quot;A&quot; Teachers</th>
<th>NBPTS Certification</th>
<th>Years of Experience</th>
<th>&quot;M&quot; Teachers</th>
<th>NBPTS Certification</th>
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**Significant Special Provisions**

**Session Law 2010-31 Senate Bill 897**

**SECTION 29.1 FURLOUGHS AUTHORIZED/PUBLIC SCHOOLS**

Authorizes local boards of education to implement furloughs of State-funded public school employees to offset the LEA funding flexibility adjustment. A furlough is defined as a temporary period of leave from employment without pay that (i) is ordered by a local board of education and (ii) is not in connection with a demotion or other disciplinary action. The State Board of Education is directed to adopt rules in accordance with G.S. 150B-21.1A. Local boards of education must apply these rules in the implementation of furloughs. The rules shall provide at minimum, that:

1. Employees who work only on instructional days shall not be subject to furlough.
2. Employees who earn an annual salary of thirty-two thousand dollars ($32,000) or less shall not be subject to furlough.
3. A furlough for other employees shall be for the same number of days for all such employees and shall be for a maximum of two days.
4. No teacher shall be subject to a furlough on an instructional day or a protected work day.
5. A local board of education shall have a public hearing and shall disclose the local school administrative unit's finances before the local board implements a furlough.
6. The local school administrative unit shall cut all bonus pay before it imposes a furlough.
7. A local school administrative unit may spread the salary or wage reduction for furloughed employees over the contract period in order to lessen the impact on the employees.
8. All savings realized as a result of a furlough shall be used to offset the LEA funding flexibility adjustment.
9. A county in which a local school administrative unit implements a furlough shall not supplant existing local current expense funds for schools.
10. Each local board of education shall report to the State Board of Education on the details of any furlough implemented by the local school administrative unit and certify that the furlough complied with the provisions of S.L. 2010-31, Section 29.1 and the rules adopted by the State Board.

Furloughed employees shall be held harmless as to their retirement and other benefits that normally accrue as a result of employment. The provision also requires public school employees who are not paid out of State funds to receive the same reduction in pay applicable to State-paid employees in the event a furlough is implemented by a local board of education.

**SECTION 29.4 FURLOUGHS AUTHORIZED/UNC**

Authorizes the President of the University of North Carolina to implement furloughs of university employees or to delegate furlough authority to a chancellor of a constituent institution. Savings realized as a result of a furlough shall be used to offset the $70 million Management Flexibility Reduction for the University of North Carolina and may be used to offset the additional 1% Management Flexibility Reduction pursuant to S.L. 2010-31 (Appropriations Act of 2010), Section 2.3, and to meet reversion requirements. Furlough is defined as a temporary period of leave from employment without pay that (i) is ordered by the President of the University of North Carolina or a chancellor when delegated and (ii) is not in connection with a demotion or other disciplinary action. The Board of Governors of the University of North Carolina is directed to adopt policies to be applied by the President and the constituent institutions in implementing furloughs of university employees. The policies shall provide at minimum, that:
Salaries

(1) The President may establish a salary threshold below which university employees shall not be subject to furlough. In no event may any full-time university employee, prorated for any part-time employee, earning an annual salary of thirty-two thousand dollars ($32,000) or less be subject to furlough.

(2) The scheduling of any furlough period shall be at the discretion of the President or the chancellor of the constituent institution when delegated.

(3) Paid leave shall not be used to offset all or any portion of a furlough.

(4) If a holiday falls during the mandatory furlough period, the university employee must be paid for the holiday.

(5) All savings realized as a result of a furlough:
   (a) Shall be used to offset the $70 million Management Flexibility Reduction for The University of North Carolina.
   (b) May, if it is necessary to implement an additional one percent (1%) Management Flexibility Reduction pursuant to Section 2.3 of S.L. 2010-31 to backfill enhanced FMAP funds, also be used to offset the additional 1% Management Flexibility Reduction and to meet reversion requirements.

Furloughed employees shall be held harmless as to their retirement and other benefits that normally accrue as a result of employment. (See also S.L. 2010-123, Sec. 9.1)

SECTION 29.5 MONITOR COMPLIANCE WITH FREEZE ON MOST SALARY INCREASES
Directs the Office of State Budget and Management and the Office of State Personnel to monitor State agencies, departments and institutions, the judicial branch and the University of North Carolina relative to compliance with the freeze on most salary increases. Requires quarterly reporting to the General Assembly beginning September 1, 2010 and specifies the contents of the quarterly reports.

SECTION 29.7 AUTHORIZE SUPPLEMENTATION BY LOCAL GOVERNMENTS OF THE SALARIES OF NONELECTED JUDICIAL DEPARTMENT OFFICERS AND EMPLOYEES IN ORDER TO ATTRACT AND RETAIN THE BEST QUALIFIED OFFICERS AND EMPLOYEES FOR THE JUDICIAL BRANCH OF GOVERNMENT
Authorizes the Administrative Office of the Courts to contract with a city or county for the provision of local funds to supplement the salaries of Judicial Department employees, other than elected officials and magistrates, who serve the superior court district, district court district, or prosecutorial district containing that unit of local government. The provision specifies that any such salary supplement is subject to the availability of local funds, may be discontinued at any time, and is not "compensation" for purposes of the Teachers' and State Employees' Retirement System or the Consolidated Judicial Retirement System. Also specifies that the provision applies only to (i) cities with a population of 300,000 or more, and (ii) counties with a population of 300,000 or over. Portions of this special provision were included in Senate Bill 1382.

Additional Legislation

S.L. 2010-105 (HB 1398) Determining Senior Resident Superior Court Judge
Amends G.S. 7A-41.1(b) authorizing the Chief Justice to designate a judge as senior resident superior court judge where there are two or more regular resident superior court judges for the district or set of districts. The senior resident superior court judge shall serve at the pleasure of the Chief Justice. The Chief Justice shall consider the seniority, experience, and management competence of the regular resident superior court judges and shall consult with the regular resident superior court judges, the chief district court judges, members of the
Salaries

district bar, clerks of court, district attorneys and public defenders within the district in making the designation. Previously, where there are two or more regular resident superior court judges for a district or set of districts, the senior resident superior court judge was the regular resident superior court judge with the most continuous service as a regular resident superior court judge, and if two judges had equal seniority, the oldest of those judges.

S.L. 2010-113 (SB 740) Flexibility In Setting Salary Of Community College Presidents
Amends G.S. 115D-5(a) to state that all salary caps set by the State Board of Community Colleges shall apply only to the State-paid portion of community college presidents' salaries. Also authorizes the State Treasurer to set the employer contribution rate, to the Teachers' and State Employees' Retirement System, on the local-paid portion of salary based upon actuarial recommendations (12.29% for FY 2010-11), and specifies the employer contribution rate paid on the local-paid portion of salary shall be paid from local funds.

S.L. 2010-136 (SB 1251) State Health Plan/Treat Teachers Equitably
G.S. 135-45.2(a)(8) provides noncontributory coverage for up to 12 months under the State Health Plan for employees, who have been employed for 12 or more months by an employing unit, whose jobs are eliminated due to a reduction in force provided the employee was covered by the Plan at the time of separation. The legislation amends G.S. 135-45.2(a)(8) to also extend noncontributory coverage to employees who have completed a contract term of employment of 10 or 11 months if the employing unit is a local school administrative unit. In addition, this act amends this law by adding that an employee shall not be eligible for coverage under this subdivision if the employee is provided health benefit coverage on a noncontributory basis by a subsequent employer.

S.L. 2010-139 (HB 213) Voluntary Shared Leave/Non-family Sick Leave Donations
Amends G.S. 126-8.3 and G.S. 115C-12.2 by directing the State Personnel Commission and the State Board of Education respectively to adopt rules and policies for the voluntary shared leave program to allow employees to donate sick leave to a non-family member employee. Under these rules and policies, sick leave may only be donated to a non-family member recipient in a State agency if the donor is a State agency employee or to a non-family member recipient in a public school if the donor is a public school employee. A donor of sick leave to a non-family member recipient is to be limited to no more than five days of sick leave per year to any one non-family member recipient. The combined total of sick leave donated to a recipient from non-family member donors shall not exceed 20 days per year. Donated sick leave may not be used for retirement purposes, and employees who donate sick leave must be notified in writing of the State retirement credit consequences of donating leave. This act also requires the State Personnel Commission, the State Board of Education, and the State Board of Community Colleges to report annually to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the Voluntary Shared Leave program.

S.L. 2010-169 (HB 961), Section 18 Government Ethics And Campaign Reform Act of 2010
Amends G.S. 126.23, G.S. 115C-320, G.S. 115D-28, G.S. 122C-158(b), G.S. 153A-98(b), G.S. 160A-168(b), and G.S. 162A-6.1(b) governing certain records open to inspection for employees of State agencies, public schools, community colleges, local area mental health authorities, counties, cities, towns, and water and sewer authorities, respectively. These amendments expand the records that must be open to inspection to include the following:

(1) Date and amount of each (previously "most recent") increase or decrease in salary with that department, agency, institution, commission, bureau, local board of education, community college, area authority, county, municipality or water and sewer authority.
Salaries

(2) Date and type of each (previously "most recent") promotion, demotion, transfer, suspension, separation, or change in position classification with that department, agency, institution, commission, bureau, local board of education, community college, area authority, county, municipality or water and sewer authority.

(3) Date and general description of the reasons for each promotion with that department, agency, institution, commission, bureau, local board of education, community college, area authority, county, municipality or water and sewer authority.

(4) Date and type of each dismissal, suspension, or demotion for disciplinary reasons taken by the department, agency, institution, commission, bureau, local board of education, community college, area authority, county, municipality or water and sewer authority. If the disciplinary action was a dismissal, a copy of the written notice of the final decision setting forth the specific acts or omissions that are the basis of the dismissal.

These changes, in Section 18 of this Act, are effective October 1, 2010.
## Salaries

### Across-the-Board Salary Cost for Each 1% Increase (Millions)

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<th>YEAR</th>
<th>GENERAL FUND</th>
<th>HIGHWAY FUND</th>
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<td>8.40</td>
<td>$1.17</td>
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<tr>
<td>1972-73</td>
<td>8.43</td>
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<td>1973-74</td>
<td>10.13</td>
<td>1.35</td>
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<td>1974-75</td>
<td>12.27</td>
<td>1.51</td>
</tr>
<tr>
<td>1975-76</td>
<td>No Increase Granted</td>
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</tr>
<tr>
<td>1976-77</td>
<td>13.91</td>
<td>1.73</td>
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<tr>
<td>1977-78</td>
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<td>18.86</td>
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<td>1980-81</td>
<td>21.29</td>
<td>2.26</td>
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<td>1981-82</td>
<td>25.14&lt;sup&gt;a&lt;/sup&gt;</td>
<td>2.51&lt;sup&gt;a&lt;/sup&gt;</td>
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<tr>
<td>1982-83</td>
<td>No Increase Granted</td>
<td></td>
</tr>
<tr>
<td>1983-84</td>
<td>25.97</td>
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<td>1984-85</td>
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<td>32.10</td>
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<td>1986-87</td>
<td>36.45</td>
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<td>1987-88</td>
<td>40.84&lt;sup&gt;b&lt;/sup&gt;</td>
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<td>5.54&lt;sup&gt;e&lt;/sup&gt;</td>
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<tr>
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<td>5.40&lt;sup&gt;e&lt;/sup&gt;</td>
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</table>

- **a** Figure reflects annual cost, even though the increase was not effective until January 1, 1982.
- **b** Figure does not reflect adjustment to offset anticipated savings from the tax sheltering of employee Health Benefits from Social Security tax.
- **c** No across-the-board salary increases were funded by the General Assembly for employees in FY 2002-03 except for the salary step increases funded for teachers and school-based administrators.
- **d** No across-the-board salary increases were funded by the General Assembly for employees in FY 2003-2004 except for the salary step increases funded for teachers and school-based administrators and a one-half percent (.5%) average salary increase for Community College faculty and professional staff.
- **e** No across-the-board salary increases were funded by the General Assembly for employees or teachers in FY 2009-10 and FY 2010-11.
## LEGISLATIVE INCREASES

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<th>TEACHERS</th>
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<td>2%</td>
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<td>1971-72</td>
<td>5%</td>
<td>5%</td>
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<tr>
<td>1972-73</td>
<td>5% (employment extended 185 to 187 days = 1% salary increase)</td>
<td>5% (employment extended 187 to 200 days = 7% salary increase and 1 step added to schedule)</td>
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<td>1973-74</td>
<td>5% + (5% for those under $2.75/hour)</td>
<td>5% + ($200 one-time bonus payment)</td>
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<tr>
<td>1974-75</td>
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<td>7.5%</td>
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<tr>
<td>1975-76</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td>1976-77</td>
<td>4% + $300 (average 7.2%)</td>
<td>4% + $300 (average 6.8%)</td>
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<td>1977-78</td>
<td>6.5%</td>
<td>6.5%</td>
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<tr>
<td>1978-79</td>
<td>6%</td>
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<tr>
<td>1979-80</td>
<td>5% + ($200 one-time bonus payment)</td>
<td>5% + ($200 one-time bonus payment)</td>
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<tr>
<td>1980-81</td>
<td>10%</td>
<td>10% (Salary schedule changed = 2% to 10% added to each step of salary range)</td>
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<tr>
<td>1981-82</td>
<td>5% (effective 1-1-82)</td>
<td>5% (effective 1-1-82)</td>
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<tr>
<td>1982-83a</td>
<td>-0-</td>
<td>-0-</td>
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<tr>
<td>1983-84a</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>1984-85a</td>
<td>10%</td>
<td>10% + 4.8% salary classification adjustment</td>
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<tr>
<td>1985-86b</td>
<td>5% + 1 step increase (9.6%)</td>
<td>1-step increase (4.8%) second year teachers; 2-step increase (9.6%) third or more year teachers</td>
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<tr>
<td>1986-87</td>
<td>$75 month (average 6%)</td>
<td>6.5%</td>
</tr>
<tr>
<td>1987-88</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>1988-89</td>
<td>4.5%</td>
<td>4.5%</td>
</tr>
<tr>
<td>1989-90</td>
<td>4% + 2% merit funds</td>
<td>6.65% average</td>
</tr>
<tr>
<td>1990-91</td>
<td>4% + 2% merit funds</td>
<td>6.15% average</td>
</tr>
<tr>
<td>1991-92</td>
<td>-0-</td>
<td>-0-</td>
</tr>
</tbody>
</table>
## Salaries

**LEGISLATIVE INCREASES (Continued)**

<table>
<thead>
<tr>
<th>YEAR</th>
<th>STATE EMPLOYEES</th>
<th>TEACHERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-93</td>
<td>$522</td>
<td>2% average</td>
</tr>
<tr>
<td>1993-94</td>
<td>2% + 1% one-time bonus payment</td>
<td>3% average</td>
</tr>
<tr>
<td>1994-95</td>
<td>4% + 1% one-time bonus payment</td>
<td>5% - 1-3 years 7% - 4-29 years</td>
</tr>
<tr>
<td>1995-96</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>1996-97</td>
<td>2.50% COLA + 2% career growth</td>
<td>5.50%</td>
</tr>
<tr>
<td>1997-98&lt;sup&gt;c&lt;/sup&gt;</td>
<td>2% COLA + 2% career growth</td>
<td>4% - 9%</td>
</tr>
<tr>
<td>1998-99</td>
<td>1% COLA + 2% career growth + 1% one-time bonus</td>
<td>4% - 9%</td>
</tr>
<tr>
<td>1999-00</td>
<td>1% COLA + 2% career growth + $125 Compensation Bonus</td>
<td>4%-11%</td>
</tr>
<tr>
<td>2000-01</td>
<td>2.2% COLA + 2% career growth + $500 Compensation Bonus</td>
<td>2.5%-13.8%</td>
</tr>
<tr>
<td>2001-02</td>
<td>$625</td>
<td>1.0% to 6.92% (2.86% average)</td>
</tr>
<tr>
<td>2002-03</td>
<td>-0-</td>
<td>0.0% to 5.85% (1.84% average)</td>
</tr>
<tr>
<td>2003-04</td>
<td>-0-</td>
<td>1.42% to 5.86% (1.81% average)</td>
</tr>
<tr>
<td>2004-05</td>
<td>Greater of a $1,000 or 2.5% across-the-board increase</td>
<td>1.41% to 5.90% (2.5% average)</td>
</tr>
<tr>
<td>2005-06</td>
<td>Greater of a $850 or 2.0% across-the-board increase</td>
<td>1.77% to 6.27% (2.24% average)</td>
</tr>
<tr>
<td>2006-07</td>
<td>5.5% across-the-board increase</td>
<td>6.45% to 14.05% (8.23% average)</td>
</tr>
<tr>
<td>2007-08</td>
<td>4.0% across-the-board increase</td>
<td>4.05% to 9.53% (5.0% average)</td>
</tr>
<tr>
<td>2008-09</td>
<td>Greater of $1,100 or 2.74% across-the-board increase</td>
<td>2.39% to 6.63% (3.0% average)</td>
</tr>
<tr>
<td>2009-10</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td>2010-11</td>
<td>-0-</td>
<td>-0-</td>
</tr>
</tbody>
</table>

<sup>a</sup> Salary increment program frozen  
<sup>b</sup> Conditional upon continuous employment for one year  
<sup>c</sup> Most teachers received between 4%-9%. Teachers receiving National Board of Professional Teaching Standards (NBPTS) certification were eligible for larger increases.
### AVERAGE SALARY OF EMPLOYEES SUBJECT TO THE PERSONNEL ACT

<table>
<thead>
<tr>
<th>YEAR</th>
<th>AVERAGE SALARY¹,²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>6,748</td>
</tr>
<tr>
<td>1972-73</td>
<td>7,680</td>
</tr>
<tr>
<td>1973-74</td>
<td>8,249</td>
</tr>
<tr>
<td>1974-75</td>
<td>9,013</td>
</tr>
<tr>
<td>1975-76</td>
<td>9,092</td>
</tr>
<tr>
<td>1976-77</td>
<td>9,431</td>
</tr>
<tr>
<td>1977-78</td>
<td>11,060</td>
</tr>
<tr>
<td>1978-79</td>
<td>11,756</td>
</tr>
<tr>
<td>1979-80</td>
<td>12,677</td>
</tr>
<tr>
<td>1980-81</td>
<td>14,233</td>
</tr>
<tr>
<td>1981-82</td>
<td>15,329</td>
</tr>
<tr>
<td>1982-83</td>
<td>15,329</td>
</tr>
<tr>
<td>1983-84</td>
<td>16,026</td>
</tr>
<tr>
<td>1984-85</td>
<td>17,587</td>
</tr>
<tr>
<td>1985-86</td>
<td>18,742</td>
</tr>
<tr>
<td>1986-87</td>
<td>20,290</td>
</tr>
<tr>
<td>1987-88</td>
<td>21,305</td>
</tr>
<tr>
<td>1988-89</td>
<td>22,272</td>
</tr>
<tr>
<td>1989-90</td>
<td>23,105</td>
</tr>
<tr>
<td>1990-91</td>
<td>23,397</td>
</tr>
<tr>
<td>1991-92</td>
<td>24,665</td>
</tr>
<tr>
<td>1992-93</td>
<td>25,152</td>
</tr>
<tr>
<td>1993-94</td>
<td>25,645</td>
</tr>
<tr>
<td>1994-95</td>
<td>26,605</td>
</tr>
<tr>
<td>1995-96</td>
<td>27,087</td>
</tr>
<tr>
<td>1996-97</td>
<td>27,473</td>
</tr>
<tr>
<td>1997-98</td>
<td>28,166</td>
</tr>
<tr>
<td>1998-99</td>
<td>30,332</td>
</tr>
<tr>
<td>1999-00</td>
<td>31,385</td>
</tr>
<tr>
<td>2000-01</td>
<td>32,803</td>
</tr>
<tr>
<td>2001-02</td>
<td>33,474</td>
</tr>
<tr>
<td>2002-03</td>
<td>33,556</td>
</tr>
<tr>
<td>2003-04</td>
<td>33,854</td>
</tr>
<tr>
<td>2004-05</td>
<td>35,151</td>
</tr>
<tr>
<td>2005-06</td>
<td>36,691</td>
</tr>
<tr>
<td>2006-07</td>
<td>38,743</td>
</tr>
<tr>
<td>2007-08</td>
<td>40,283</td>
</tr>
<tr>
<td>2008-09</td>
<td>41,769</td>
</tr>
<tr>
<td>2009-10</td>
<td>41,687</td>
</tr>
</tbody>
</table>

**NOTE:**

(1) Prior to 1972, computations were made every two years.

(2) The average salary figures show all permanent SPA employees at a particular point in time. During these years, new programs were added and SPA coverage was extended to positions previously exempt. When new positions were added at salaries above the average or at salaries below the average, this resulted in an increase or decrease in average salary levels. Therefore, changes in average salaries are not measures of salary increases or decreases.
Retirement

State Retirement Systems
The State operates several retirement systems for public employees. The Teachers’ and State Employees’ Retirement System has the largest membership and assets of all the retirement systems and provides benefits to eligible employees of State agencies, departments, universities, local public schools, and local community colleges. As of December 31, 2009, the System had approximately 318,000 contributing members and paid retirement benefits of $3.2 billion annually to 156,773 beneficiaries. As of December 31, 2009, the market value of assets totaled $50.4 billion while the recognized assets totaled approximately $55.8 billion. Recognized assets exceeded the market value of assets due to the five-year smoothing method used to smooth market fluctuations (i.e. the significant losses sustained during the 2008 calendar year). The System was, thus, considered 95% funded (i.e., $0.95 in assets for each $1.00 of liabilities) based upon the recognized assets as of December 31, 2009.

Due to the significant losses in the market value of assets during the 2008 calendar year, the actuarial valuations for December 31, 2008 reflected the need for increased employer contributions beginning July 1, 2010. The required additional increases from the General Fund amounted to $175.9 million for the Teachers’ and State Employees’ Retirement System, $2.8 million for the Consolidated Judicial Retirement System and $2.2 million for the Firemen and Rescue Squad Workers’ Pension Fund. Due to the projected revenue shortfall for the 2010-11 Fiscal Year, the General Assembly did not appropriate these additional funds.

The following table reflects the Employer Contribution Rates to the Teachers’ and State Employees’ Retirement System since the beginning of the decade.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Employer Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-2000</td>
<td>8.15%</td>
</tr>
<tr>
<td>2000-2001</td>
<td>5.33%</td>
</tr>
<tr>
<td>2001-2002</td>
<td>1.97%</td>
</tr>
<tr>
<td>2002-2003</td>
<td>Zero</td>
</tr>
<tr>
<td>2003-2004</td>
<td>0.22%</td>
</tr>
<tr>
<td>2004-2005</td>
<td>2.17%</td>
</tr>
<tr>
<td>2005-2006</td>
<td>2.34%</td>
</tr>
<tr>
<td>2006-2007</td>
<td>2.66%</td>
</tr>
<tr>
<td>2007-2008</td>
<td>3.05%</td>
</tr>
<tr>
<td>2008-2009</td>
<td>3.36%</td>
</tr>
<tr>
<td>2009-2010</td>
<td>3.57%</td>
</tr>
<tr>
<td>2010-2011</td>
<td>3.57% + 1.36% Reserve</td>
</tr>
</tbody>
</table>

Significant Special Provisions
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SECTION 2.3(H) RETIREMENT SYSTEMS EMPLOYER CONTRIBUTIONS
Amends S.L. 2009-16, State Health Plan/Good Health Initiatives, Section 6(c) to reset the contribution rates for the various retirement systems for the 2010-11 Fiscal Year. The contribution rate for the Teachers’ and State Employees’ Retirement System had been budgeted at 4.93% of payroll for retirement, 0.52% of payroll for the Disability Income Plan, 0.16% for the Death Benefit and 4.9% of payroll for retiree health benefits. During the 2010 Session, the General Assembly reset the rate at 3.57% of payroll for the Teachers’ and State...
Retirement

Employees’ Retirement System and directed 1.36% of payroll, that was budgeted for the 2010-11 Fiscal Year, to a reserve in the Office of Budget and Management in the event the FMAP funds are not received from the federal government. If not needed, the reserve funds will go to the retirement system.

SECTION 29.7 AUTHORIZE SUPPLEMENTATION BY LOCAL GOVERNMENTS OF THE SALARIES OF NONELECTED JUDICIAL DEPARTMENT OFFICERS AND EMPLOYEES IN ORDER TO ATTRACT AND RETAIN THE BEST QUALIFIED OFFICERS AND EMPLOYEES FOR THE JUDICIAL BRANCH OF GOVERNMENT

Authorizes the Administrative Office of the Courts to contract with a city or county for the provision of local funds to supplement the salaries of Judicial Department employees, other than elected officials and magistrates, who serve the superior court district, district court district, or prosecutorial district containing that unit of local government. The provision specifies that any such salary supplement is subject to the availability of local funds, may be discontinued at any time, and is not "compensation" for purposes of the Teachers' and State Employees' Retirement System or the Consolidated Judicial Retirement System. Also specifies that the provision applies only to (i) cities with a population of 300,000 or more, and (ii) counties with a population of 300,000 or over. Portions of this special provision were included in Senate Bill 1382.

Additional Legislation

S.L. 2010-7 (HB 1934) Amend Charlotte Firefighters' Retirement

Authorizes the payment of any remaining contributions made by the member and the City of Charlotte plus 4% accrued interest to the designated beneficiary for the return of contributions after the death of a retiree and spouse if named. Under the existing law if a member selects a joint and survivorship option and both the retiree and beneficiary die before receiving the total contributions made by the member and the City of Charlotte plus 4% accrued interest, no remaining benefits are payable.

S.L. 2010-8 (HB 1935) Mecklenburg Law Enforcement Cap Upped/Stipend

Amends multiple local public laws to increase the payment from $10,000 to $25,000 in the event a law enforcement officer in Mecklenburg County is killed in the line-of-duty or is permanently and totally disabled in the line-of-duty. If the law enforcement officer is temporarily and totally disabled in the line-of-duty, they shall receive a disability supplement of $500 per month up to a maximum of $25,000, up from $10,000. The bill increases the maximum college scholarship from $10,000 to $25,000 for children of a law enforcement officer in Mecklenburg County killed in the line-of-duty or permanently and totally disabled in the line-of-duty. The bill also provides for an annual $100 stipend for each minor child of an officer killed in the line of duty until the child reaches 18 years of age.

Deletes provision allowing an increase in the maximum lump sum payments paid to the investment firm managing the fund, by up to 10% once every five years.

S.L. 2010-38 (HB 1998) Reciprocity For ORP Service

Permits members of the Teachers’ and State Employees’ Retirement System, who during their work history have been a member of both the Teachers’ and State Employees’ Retirement System and the Optional Retirement Program (available to EPA personnel in the university system), to use their service in the Optional Retirement Program to meet retirement service requirements in the Teachers’ and State Employees’ Retirement System.
S.L. 2010-72 (HB 2054) Retirement Technical Corrections

Makes several technical corrections to various retirement systems and the State Health Plan. These changes are as follows:

1. Makes clear that a member may not change their election of optional payment plan or their beneficiary designation once the first retirement check has been cashed or after the 25th of the month following the month in which the first check is mailed.

2. Allows a new election of optional payment plan and/or beneficiary designation under Option 5 if the member divorces or their spouse dies. Allows a new election of optional payment plan and/or beneficiary under Option 6 (pop-up) if beneficiary dies prior to first payment.

3. Clarifies that in the event of the death of the member after the effective date of retirement but prior to receipt of a properly completed form 6-E or 7-E (choosing the optional payment plan), the designated beneficiary to receive the return of accumulated contributions may elect to receive a monthly benefit in lieu of the return of accumulated contributions provided only one beneficiary is eligible to receive the return of accumulated contributions.

4. Changes the Survivor’s Alternate Benefit to be payable when there is one and only one person eligible to receive a refund of contributions. Currently, it is payable if the member has only named one principal beneficiary. The difference would arise when multiple beneficiaries are named and one or more predeceases the member.

5. Allows former employees who have been approved for Long Term Disability, but who are not yet technically receiving the benefit because they received a lump sum payment for their annual/bonus leave, to be covered by the State Health Plan.

6. Clarifies that anyone who qualifies for Long Term Disability with transferred service, but does not have five years of State membership service, will not be eligible for State Health Plan benefits while on Long Term Disability.

7. Allows a member who is on extended Short Term disability to be eligible for the active member Death Benefit.

8. Allows a retiree who returns to work in a contributing position, but does not complete three years of service to choose any of the following:
   (a) Receive a retirement allowance on the additional service;
   (b) Receive a refund of the additional employee contributions; or
   (c) Leave the new account open pending another subsequent return to service.

9. Allows a retiree who returns for at least three years to choose a retirement allowance calculated on total service or a refund of the additional employee contributions.

10. Clarifies that elected officials convicted of certain offenses are always eligible for a return of member contributions and interest, if applicable.

11. Increases the time for failure to respond from 90 days to 120 days from the mailing of the election form or the effective date of retirement, whichever is later. This gives the agency more flexibility to work with the member before canceling their application for retirement due to the member’s failure to respond.

12. Moves the timing of the reduction in Long Term Disability benefits due to Social Security increases from December to January to mirror the timing of increases in Social Security benefits paid. This will slightly increase the total benefits paid to these recipients.

13. Adds "wrongful demotion" as a valid reason for retroactive adjustment in reported compensation.
Retirement

(14) Simplifies the calculation of a guaranteed refund of contributions in benefit created by the transfer of 401(k) balances to either the Teachers’ and State Employees’ Retirement System or the Local Governmental Employees’ Retirement System. These transfers are currently available to law-enforcement officers. Allows law-enforcement officers to transfer any portion of their 401(k) balance, rather than all or none.

S.L. 2010-113 (SB 740) Flexibility In Setting Salary/Community College Presidents
Amends G.S. 115D-5(a) to state that all salary caps set by the State Board of Community Colleges shall apply only to the State-paid portion of community college presidents’ salaries. Also authorizes the State Treasurer to set the employer contribution rate, to the Teachers’ and State Employees’ Retirement System, on the local-paid portion of salary based upon actuarial recommendations (12.29% for FY 2010-11), and specifies the employer contribution rate paid on the local-paid portion of salary shall be paid from local funds.

S.L. 2010-124 (HB 2066) Special Retirement Allowances
Allows, effective January 1, 2011, members of the Teachers’ and State Employees’ Retirement System or the Local Governmental Employees’ Retirement System, to transfer any portion of their fund balances in either the Supplemental Retirement Income Plan or the Public Employee Deferred Compensation Plan on a one-time election at any time at or after retirement and receive a special retirement allowance which will be based on the amount of funds transferred and the age of the member.

The Boards of Trustees of the Teachers' and State Employees' Retirement System and the Local Governmental Employees Retirement System (Boards of Trustees) may establish a minimum amount that must be transferred. The Boards of Trustees shall adopt straight life annuity factors on the basis of yields on U.S. Treasury Bonds and mortality and other tables as may be necessary based upon actual experience. A single set of mortality and other tables will be used for all members based on the age of the member and the election of post-retirement allowance. The Boards of Trustees shall modify the mortality and such other tables every five years based upon the five-year experience study as required. A member shall be taxed for North Carolina State Income Tax purposes on the special retirement allowance the same as if that special retirement allowance had been paid directly by the Supplemental Retirement Income Plan of North Carolina or the Public Employee Deferred Compensation Plan.

This act also requires the Boards of Trustees to provide educational materials to members who apply for the one-time contributions transfer that describe the special retirement allowance, and explain the relationship between the transferred balance and the monthly benefit, and explain how the member’s heirs may be impacted by the member’s election, including any costs or fees. The bill also allows the Supplemental Retirement Board of Trustees to assess a one-time flat administrative fee not to exceed the actual cost required to administer the transfers.

The Boards of Trustees shall allow a member two payment plan options, the first to be for life with a guaranteed number of months and the second for life with a guaranteed return of the amount transferred.
Retirement

S.L. 2010-137 (SB 1256) Brevard Academy/Retirement Election
Allows the board of directors of Brevard Academy, a charter school, to make an irrevocable election to become a participating employer in the Teachers’ and State Employees’ Retirement System and/or the State Health Plan for Teachers’ and State Employees’ within 30 days after the act becomes law.

S.L. 2010-175 (SB 1212) Local Government Other Post-Employment Benefits
Repeals the laws which established the Local Government Other Post-Employment Benefits (OPEB) Fund consisting of funds contributed by local governments and other entities. OPEB Fund assets were used to pay other post-employment benefits to eligible former employees, or beneficiaries of those former employees, of an entity that contributed to the Fund. The new law will allow local governments and other entities to establish a Local Government Other Post-Retirement Benefits Trust for the purpose of paying post-employment benefits for which the entity is liable. Provides that the assets of that trust may be invested as provided in G.S. 159-30(c) or deposited with the State Treasurer for investment pursuant to G.S. 147-69.2(b4).

Amends G.S. 147-69.2(b4) to provide that funds deposited by a Local Government Other Post-Employment Benefits Trust, as well as interest or other investment income earned from those funds is to be prorated and credited to the contributing trust based on the contributed amounts and figured according to sound accounting principles.
Health Benefits

State Health Plan for Teachers and State Employees

The State Health Plan for Teachers and State Employees (Plan) administers health benefit coverage for active employees from employing units of State agencies and departments, universities, local public schools, and local community colleges. Eligible retired employees of authorized employing units may also access health benefit coverage under the Plan. Eligible dependents of active and retired employees are authorized to participate in the Plan provided they meet certain requirements.

Employees and retired employees of selected local governments may also participate in the Plan under certain conditions. Members of fire, rescue squads, and the National Guard may also obtain coverage under the Plan provided they meet certain eligibility criteria.

The State finances the Plan on a self-funded basis and administers benefit coverage under a Preferred Provider Option (PPO) arrangement. As of June 2010, enrollment in the Plan was 662,168 Plan members. Premiums for health benefit coverage are paid by (1) employing agencies for active employees, (2) the Retiree Health Benefit Fund for retired employees, and (3) employees and retirees who elect dependent coverage. Total requirements for the Plan were $2.6 billion for FY 2009-10.

Financial Revision Note: Based on a revised financial projection (July 2010) by the Plan’s consulting actuary, the Plan’s estimated ending cash balance at the end of the 2009 Biennium (i.e., June 30, 2011) is projected to be $118.0 million. This amount is approximately $74.2 million less than the originally projected (April 2009) ending cash balance of $192.2 million estimated during the 2009 Long Session of the General Assembly.

Significant Special Provisions
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There were no special provisions that changed the Plan's financing, operations or benefit schedules.

Additional Legislation

S.L. 2010-2 (HB 589) Insurance/Cover Hearing Aids
Requires the Plan, and other health benefit plans subject to Chapter 58 of the General Statutes, to provide hearing aid equipment coverage for hearing impaired plan members up to the age of 22. The limit on coverage is $2,500 per hearing aid per hearing impaired ear plus related services every 36 months per qualifying plan member. Application by the Plan of annual deductibles, coinsurance and other limitations for similar services would be allowed under the bill provided these same requirements are applied to other similar services.

S.L. 2010-3 (HB 1707) SHP/ Age-Out Dependents; Tobacco Use Testing
This Act made two changes to the Plan which are as follows:

(1) Effective June 1, 2010 and repealed July 1, 2011, the bill removes the full-time student requirement for dependent children to remain eligible for benefit coverage under the Plan through the end of the month following their 26th birthday. The bill applies only to dependent children who were enrolled in the Plan as of May 1, 2010, and excludes certain dependent children from eligible coverage under the Plan if an
Health Benefits

(2) otherwise eligible dependent child is eligible for other employer sponsored health benefit coverage; and
(3) Requires the Plan’s Executive Administrator to consult with the General Assembly’s Committee on Employee and Hospital Medical Benefits before implementing a plan to verify use of tobacco products by plan members.

S.L. 2010-72 (HB 2054) Retirement Technical Corrections

The 2010 Session of the General Assembly enacted legislation to make several technical corrections to various retirement systems and the State Health Plan. These changes related to the State Health Plan are as follows:

(1) Allows former employees who have been approved for Long Term Disability, but who are not yet technically receiving the benefit because they received a lump sum payment for their annual/bonus leave, to be covered by the State Health Plan.
(2) Clarifies that anyone who qualifies for Long Term Disability with transferred service, but does not have five years of State membership service, will not be eligible for State Health Plan benefits while on Long Term Disability.

S.L. 2010-120 (SB1392) State Health Plan/Court-Ordered Guardianships

Amends the definition of “Dependent child” under G.S. 135-45.1(10) to include a child for which an employee enrolled in the Plan is a court-appointed guardian and who is legally responsible for the child’s maintenance and support. The effect of the bill is to allow a minor child under a court-ordered guardianship to be eligible for health benefit coverage under the Plan.

S.L. 2010-136 (SB 1251) State Health Plan/Treat Teachers Equitably

G.S. 135-45.2(a)(8) provides noncontributory coverage for up to 12 months under the State Health Plan for employees, who have been employed for 12 or more months by an employing unit, whose jobs are eliminated due to a reduction in force provided the employee was covered by the Plan at the time of separation. The legislation amends G.S. 135-45.2(a)(8) to also extend noncontributory coverage to employees who have completed a contract term of employment of 10 or 11 months if the employing unit is a local school administrative unit. In addition, this act amends this law by adding that an employee shall not be eligible for coverage under this subdivision if the employee is provided health benefit coverage on a noncontributory basis by a subsequent employer.

S.L. 2010-137 (SB1256) Brevard Academy/Retirement Election

Allows the board of directors of Brevard Academy, a charter school, to make an irrevocable election to become a participating employer in the Teachers’ and State Employees’ Retirement System and/or the State Health Plan for Teachers’ and State Employees’ within 30 days after the act becomes law.
NC’S ECONOMY & STATE REVENUE AND SUMMARY OF REVENUE/FEE BILLS
Special Provisions
2010 Session: SB 897

Department: Finance

Section: 31.1
Title: IRC UPDATE
Summary Subsection (a) amends G.S. 105-228.90(b)(1b) to update North Carolina’s Income Tax reference to the Federal Internal Revenue Code. The change applies to State tax provisions from May 1, 2009, to May 1, 2010. Small businesses are defined as those with gross receipts equal to or below $1 million.

Subsection (b) modifies G.S. 105-134.6 to extend the five-year carryback for net operating losses sustained in 2009 for small businesses. The bill does not make the five-year carryback available to large businesses.

This section reduces General Fund availability by $7 million in FY 2010-11 and increases availability by $1 million in FY 2011-12.

Section: 31.1A
Title: SMALL BUSINESS TAX RELIEF
Summary Amends Article 3B of Chapter 105 of the General Statutes to add a new section, G.S.105-129.16J. The new subsection, temporary unemployment insurance refundable tax credit, provides a refundable income tax credit to small business taxpayers whose gross receipts for the taxable year are less than $1 million. The credit amount is equal to 25 percent of the amount of the unemployment insurance contributions the taxpayer paid during the calendar year on wages paid to an individual. The provision is effective January 1, 2010, and reduces General Fund availability by $34.1 million per fiscal year in FY 2010-11 and FY 2011-12.

Section: 31.3
Title: LOWER SALES TAX COMPLIANCE BURDEN ON SMALL RETAILERS
Summary Rewrites G.S. 105-164.16(b1) and (b2) to decrease the number of retailers required to submit a sales tax pre-payment. Under prior law, a retailer consistently liable for at least $10,000 in monthly sales tax revenue had to make a prepayment of the next month’s sales tax liability. This legislation raises the threshold from $10,000 to $15,000 in monthly tax liability for businesses required to submit a prepayment effective October 1, 2010, and from $15,000 to $20,000, effective October 1, 2011. This section reduces General Fund availability by $7 million in FY 2010-11 and by $12 million in FY 2011-12.

Section: 31.4
Title: RELIEVE ANNUAL REPORT COMPLIANCE BURDEN ON SMALL BUSINESSES
Summary Amends G.S. 55-16-22(c) to stipulate that the first annual report of an LLC is due April 15 following its year of organization. The provision is effective January 1, 2010, and reduces General Fund Availability by $400,000 per fiscal year.
Section: 31.5
Title: EXTEND SUNSET ON EXPIRING TAX INCENTIVE INCOME TAX CREDITS AND SALES TAX REFUNDS

Summary  Subsection (a) amends G.S. 105-129.75 to extend the sunset on the tax credit for rehabilitating vacant historic manufacturing sites from January 1, 2011, to January 1, 2014. This change has no fiscal impact in FY 2010-11 and reduces General Fund availability by $1.5 million in FY 2011-12. The provision has a negative General Fund impact of roughly $3 to $5 million in subsequent fiscal years.

Subsection (b) amends G.S. 105-163.015 to extend the sunset from January 1, 2011, to January 1, 2013, on the income tax credit on qualified business ventures. The goal of the credit is to stimulate early stage investments that help move new technologies from universities and other research laboratories to commercialization. The credit, equal to 25 percent of the amount invested, is allowed for an individual taxpayer who invests in a qualifying business venture. Extending the sunset reduces General Fund availability by $3.5 million in FY 2010-11 and by $7.5 million in FY 2011-12.

Subsection (c) amends G.S. 105-164.14(a1) to extend the sunset on the sales tax refund provided to interstate passenger air carriers. The refund is equal to the net amount of sales and use tax paid by the company on fuel during a calendar year in excess of $2.5 million. The extension changes the repeal date of the refund from January 1, 2011, to January 1, 2013, and has no fiscal impact in FY 2010-11, but reduces General Fund availability by $2.4 million in FY 2011-12.

Subsection (d) amends G.S. 105-164.14(1) to extend the sunset for the sales tax refund on aviation fuel used during a motorsports event. This provision extends the credit from January 1, 2011, to January 1, 2013, and has no fiscal impact in FY 2010-11. The change reduces General Fund availability by $100,000 in FY 2011-12 and subsequent fiscal years.

Section: 31.6
Title: MODERNIZE SALES TAX ON ACCOMMODATIONS

Summary  Amends G.S. 105-164.4(a)(3) requiring online travel companies (OTC) to collect and remit sales and use and occupancy taxes on compensation received from internet hotel bookings.

Subsection (a) imposes a tax on a facilitator, the agency or company that provides the service of booking a hotel room online.

Subsection (b) modifies G.S. 105-164.4B to add a new subsection providing that the rental of an accommodation is sourced to the location of the accommodation for sales tax purposes.

Subsection (c) modifies G.S. 153A-155(c) to clarify that all agencies required to remit sales tax under G.S. 105-164.4(a)(3) are also required to collect and remit occupancy taxes to the counties using the same price basis used to determine the sales and use tax due.

Subsection (d) amends G.S. 153A-155(g) to clarify that the new tax collection requirements for online travel companies/facilitators apply in all counties levying an occupancy tax.

Subsection (e) amends G.S. 160A-215(c) to clarify much of the administration associated with collecting and disbursing the occupancy tax for cities.

Subsection (f) amends G.S. 160A-215(g) to specify which cities levy an occupancy tax and are thereby recipients of remitted occupancy tax collections.

S.L. 2010-123, Sec. 10.2, Budget Technical Corrections, amends this provision to clarify that the section becomes effective January 1, 2011, and applies to gross receipts derived from the rental of an accommodation that a consumer occupies or has the right to occupy on or after that date. This change has no fiscal impact.
Section: 31.7
Title: MODERNIZE ADMISSIONS TAX AND RESTORE AMENITIES EXCLUSION
Summary Amends G.S. 105-37.1 and G.S. 14-344.1 to extend the 3% privilege tax imposed on the gross receipts on amusements to the Internet resale of amusement admission tickets. The applicable subsection becomes effective January 1, 2011, and applies to charges for admission received on or after that date. The provision also amends those statutes to exclude from tax charges for amenities that are bundled with a ticket purchase, effective for charges for admission received on or after August 1, 2010. This section is expected to reduce General Fund revenues by $700,000 annually.

Section: 31.7A
Title: GIVE TAXPAYERS NOTICE OF REVISED TAX INTERPRETATIONS
Summary Amends G.S. 105-264(c) to require that a revised interpretation may not become effective until the sooner of the following: (1) the first day of a month at least 90 days after the issuance of the revised interpretation, for a tax that is payable on a monthly or quarterly basis; or (2) the first day of a tax year after the issuance of the revised interpretation for a tax that is payable on an annual basis. This section became effective June 30, 2010.

Section: 31.8
Title: IMPROVE TAX AND DEBT COLLECTION PROCESS
Summary Amends G.S. 147-86.20(1), G.S. 147-86.22, G.S. 147-86.25, G.S. 105A-2, G.S. 105A-3(c), G.S. 105A-14(a), G.S. 105-259(b)(18), G.S. 105-242(b), G.S. 105-242.1, and G.S. 53B-4(2) to improve the tax and debt collection process of the Department of Revenue by expanding the use of the Setoff Debt Collection Act, authorizing the use of electronic process for sending notice of garnishment, providing for a data match between the Department and financial institutions holding accounts of delinquent taxpayers, and expanding the Statewide Accounts Receivable Program. This section became effective June 30, 2010 and is expected to generate $3 million per fiscal year.

Section: 31.9
Title: REDUCE FRANCHISE TAX BURDEN ON CONSTRUCTION COMPANIES
Summary Rewrites Section 2 of S.L. 2009-422, Franchise Tax-Overbilling Out of Capital Base, to make the act retroactively effective on January 1, 2007 instead of January 1, 2010. The change allows companies to exclude from a corporation's franchise tax base all billings in excess of costs. The change assists in clarifying DOR audits in which some companies were assessed additional tax for excluding billings in excess of costs from their capital base. This change reduces General Fund revenues by $1.5 million in FY 2010-11, and became effective June 30, 2010.

Section: 31.10
Title: FAIR TAX PENALTIES
Summary Amends G.S. 105-236(a)(4) and (a)(5), G.S. 105-241.22, G.S. 105-130.6, G.S. 105-130.14, and G.S. 105-262 to provide that a taxpayer may not be assessed a penalty for understatement of tax due when it complies with the Secretary of Revenue’s request to file a consolidated or combined return. The provision also clarifies that a failure to pay a penalty does not apply to a taxpayer who has requested a hearing on the tax liability used as the basis for the penalty. It requires a corporation to file a consolidated or combined return when the corporation's facts and circumstances meet those described in a permanent rule adopted by the Department of Revenue or when they meet those described in a letter of written advice provided by the Secretary to the corporation at the request of the corporation. This section does not impact General Fund revenues. This section became effective June 30, 2010.
Special Provisions

2010 Session: SB 1202

Department: Finance

Section: 10.2
Title: TECHNICAL CHANGE: TAX CHANGES
Summary: Amends Section 31.6(g) S.L. 2010-31 to clarify that the section becomes effective January 1, 2011, and applies to gross receipts derived from the rental of an accommodation that a consumer occupies or has the right to occupy on or after that date. This change has no fiscal impact.
Title: RENEWABLE ENERGY INCENTIVES

Summary  Amends G.S. 105-129.16D(d), G.S. 105-129.16F(b) extending the tax credit for constructing renewable fuel facilities and the credit for biodiesel producers from January 1, 2010 to January 1, 2013. Effective January 1, 2010, the legislation modifies the credit for investing in a renewable energy property by amending G.S. 105-129.15, G.S. 105-129.16A and G.S. 105-259(b). The act also adds a new section, G.S. 105-129.16I, effective January 1, 2014, to reinstate and expand the credit for a renewable energy property facility. Amendments to G.S. 153A-455, G.S. 153A-149(c), G.S. 160A-459.1, and G.S. 160A-209(c) clarify that local governments have the authority to finance energy programs. The revision of G.S. 105-130.34(a) and G.S. 105-151.12(a) clarify that real property donated for conservation purposes can be used only for the conservation purpose. The last amendment, rewriting G.S. 143-341(3), clarifies who is responsible for making the allocation of the Federal §179D tax deduction. The act will reduce General Fund revenues by $700,000 in FY 2010-11 and except as otherwise noted became effective August 2, 2010. The law applies to taxable years beginning on or after 2010.
Other Finance Legislation

2010 Session:  HB 1973

Title:  Various Economic Incentives

Summary  Part I of the bill extends and revises tax credits for growing businesses by amending G.S. 105-129.82(a), G.S.-143B 437.010(a), G.S.-105 129.81, G.S.-105 129.83(e) and (i), G.S.143B-437.02(g), G.S. 143B-437.012(h).  These amendments modify Article 3J extending the sunset from January 1, 2011 to January 1, 2013.  Secondly, this section makes a technical change to the definition of "agrarian growth zone." The final change in this section clarifies the types of environmental events that disqualify a company for certain economic incentives.

Part II of the bill expands tax credits for film production companies through amendments to G.S. 105-130.47, G.S. 105-151.29, G.S.-105 187.51.  These amendments make four substantive changes: 1) increases the applicable percentage of qualifying expenses eligible for a refundable tax credit from 15% to 25%, 2) allows the taxpayer to include as qualifying expenses employee fringe contributions per diems, stipends, and living allowances, 3) increases the cap of the tax credit from $7.5 million to $20 million, and 4) clarifies which items can be defined as mill machinery under the privilege license tax.

Part III of the bill, tax credits for developing interactive digital media, modifies G.S. 105-129.50, G.S. 105-129.51, G.S. 150-129.52, and G.S. 105-128.54.  The legislation also adds a new section, G.S. 105-129.56. The aforementioned amendments enhance several of North Carolina's existing economic development tools and create new incentives.

Part IV modifies G.S. 105-13.48(f) and G.S. 105-151.30(f) to extend the sunset for the Article 3J and oyster shell recycling tax credits.

Part V creates economic development incentives and favorable tax treatment for Eco-Industrial Parks by amending G.S. 143B-437.08, G.S. 143B-437.4, G.S. 143B-437.52(b), G.S. 105-129.16A(c), and G.S. 105-129.55. These amendments grant all eco-industrial parks in the state a tier one designation for purposes of economic development programs. Secondly, an applicant or project in an Eco-Industrial Park has priority over non-Eco-Industrial Park projects for purposes of selecting applicants for the Job Development Grant Program and selecting projects in a priority area for the NC Green Business Fund. Thirdly, Eco Industrial Parks are not required to provide matching funds nor subject grant limits imposed by the Department of Commerce on funds awarded through the NC Green Business Fund. Lastly, the bill provides a 35% income tax credit for qualified research expenses on research performed in an Eco-Industrial Park.

Part VI exempts certain wood chippers from sales tax, effective July 1, 2009, making amendments to G.S. 105-164.13.

Part VII amends G.S. 7A-304(a) to create a new $2 court fee for the support and services of the SBI DNA database and appropriates the funds from the fee to the Department of Justice (DOJ). This section also directs the DOJ to use funds available to the Department to implement the provisions of the DNA Database Act of 2010.

Part VIII encourages the Department of Administration to consider the use of multiple award schedule contracts when issuing requests for proposals for State contracts.

The act does not have a fiscal impact in FY 2010-11, but reduces General Fund Availability by $26.8 million in FY 2011-12. Except as otherwise noted, this act became effective July 22, 2010.
Other Finance Legislation

2010 Session: **SB 1171**

**Title:** KEEPING NC COMPETITIVE ACT

**Summary**
Amends G.S. 105-164.3(8e), G.S. 105-164.3(23a), G.S. 105-164.13(55), G.S. 105-164.14(j)(3), G.S. 105-187.50, G.S. 105-187.51C(a)(1), G.S. 105-187.51C, and G.S. 143B-437.59(b) to make several tax law changes. The bill reduces General Fund availability by $8.85 million in FY 2010-11 and by $13.70 million in FY 2011-12. Unless otherwise noted, this bill became effective July 1, 2010, and applies to purchases made on or after that date.

Part I of this act broadens the definition of an eligible Internet datacenter to include not only a facility that operates Web search portals but also facilities engaged in software publishing. This change became effective July 1, 2010, and applies to sales made on or after that date.

Part II of the act updates the NAICS reference used in the sales and use tax statutes to the most recent edition of NAICS. The Office of Management and Budget updates NAICS every five years. As part of this update, the 2002 NAICS classification for "Internet Service Providers and Web Search Portals," Industry 51811, was changed in the 2007 edition of NAICS to "Internet Publishing and Broadcasting and Web Search Portals," Industry 519130.

Part III also makes a conforming change in language that was based upon the wording used in the 2002 edition of NAICS.

Part IV expands the list of industries allowed an annual sales and use tax refund to include paper-from-pulp manufacturing and turbine manufacturing. This change became effective July 1, 2010, and applies to sales made on or after that date.

Parts V through Parts VII of the act make the following stylistic and clarifying changes to Article 5F: 1) incorporates the investment threshold, as well as the wage and health insurance requirements, in the statute providing the lower tax rate for a datacenter so that all of the provisions governing the applicable tax may be found in one statute, 2) removes the investment, wage, and health insurance requirements from the definitional statute for Article 5F, 3) clarifies that the excise tax does not apply to equipment and machinery of an eligible Internet datacenter or software used in an eligible Internet datacenter that is exempt from sales tax. This provision is effective January 1, 2010.

Part VIII of the act authorizes the economic investment committee charged with administering the JDIG Program to extend a business' base period by up to four years if the business has created and maintained at least 1,000 jobs. The current law remains in place if the business creates fewer than 1,000 jobs, which means that the committee may extend the base period for up to two years. The act makes clear that under no circumstances may the base period be extended by more than four years. This section became effective when the Governor signed the act into law on July 11, 2010, and applies to all agreements in effect on or entered into after that date. This section expires January 1, 2013.
Title: ECONOMIC INCENTIVES ALIGNMENT AND CHANGES

Summary
Amends various statutes [G.S. 105-129.6(b); G.S. 105-129.19, G.S. 105-129.26(e), G.S. 105-129.38; G.S. 105-129.44, G.S. 105-129.54, G.S. 105-129.75A, G.S. 105-129.85(b), G.S. 105-129.98, G.S. 105-130.41(c1); G.S. 105-130.45(f), G.S. 105-130.46(k), G.S. 105-130.47(h), G.S. 105-151.22(c1), and G.S. 105-151.29(h)].

The legislation also repeals G.S. 105-164.14(a1), (f-h) and (j-o) replacing the repealed statues with a new section G.S. 105-164.14A. The bill also adds new sections G.S. 105-164.14B and G.S. 105-164.29B and adds a new subdivision to G.S. 105-256(a).

The bill amends G.S. 105-129.25, G.S. 105-129.26, and G.S. 105-129.27 deleting obsolete economic incentives related to large recycling facilities. The final amendments make conforming changes to G.S. 75-29(a), G.S. 105-129.2(8a), G.S. 105-164.3, G.S. 105-187.18(b), G.S. 105-187.23, G.S. 105-187.33, G.S. 105-259(b), and G.S. 105-467(b).

The aforementioned statutory changes harmonize sunset and reporting features and requirements across the State’s various economic incentives. The legislation creates a single, unified economic incentives report that contains information currently reported separately for each economic incentive. Under previous law, many of the economic incentives enacted under Article 3, the income tax credits in Article 4, and the sales and use tax benefits in Article 5 had reporting requirements and sunset provisions; however, those requirements were not uniformly set out in each incentive. Where reporting requirements were set out, there were inconsistencies with respect to itemization by taxpayer, itemization by credit, the reporting entity, and other miscellaneous differences.

The bill also deletes two underutilized or unnecessary economic incentives. The legislation eliminates the credit in Article 3C for large recycling facilities, which was intended for Wisconsin Tissue. That company never located in North Carolina. The second underutilized tax credit deleted by this legislation was included under Article 3G. The credit applied to major computer manufacturing facilities. Other than Dell, the facility for which the incentive was enacted, the credit was not utilized.

Effective July 1, 2010, the act does not have a fiscal impact in FY 2010-11 and increases General Fund availability by $1.04 million in FY 2011-12.
APPENDICES
Total State Budget By Source of Funds

PENDING
### Capital Improvements

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Authorizations</th>
<th>% Change vs. Prior Year</th>
<th>Direct Appropriations</th>
<th>Earmarking of Unreserved Credit Balance</th>
<th>Savings Reserve Direct Appropriations</th>
<th>Total Adjustments</th>
<th>% Change vs. Prior Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980-1981</td>
<td>3,255,104,769</td>
<td>14.80%</td>
<td>104,141,290</td>
<td>0</td>
<td>0</td>
<td>104,141,290</td>
<td>14.54%</td>
</tr>
<tr>
<td>1981-1982</td>
<td>3,432,556,046</td>
<td>5.45%</td>
<td>30,861,142</td>
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<td>0</td>
<td>30,861,142</td>
<td>7.96%</td>
</tr>
<tr>
<td>1982-1983</td>
<td>3,626,915,248</td>
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<td>65,772,358</td>
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<td>0</td>
<td>65,772,358</td>
<td>4.69%</td>
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<tr>
<td>1983-1984</td>
<td>3,857,564,088</td>
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<td>59,782,244</td>
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<td>0</td>
<td>59,782,244</td>
<td>5.92%</td>
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<tr>
<td>1984-1985</td>
<td>4,532,103,411</td>
<td>17.49%</td>
<td>212,535,238</td>
<td>0</td>
<td>0</td>
<td>212,535,238</td>
<td>14.52%</td>
</tr>
</tbody>
</table>

* Includes Local Government Hold Harmless Revenue; additional information is available from the Department of Revenue at [http://www.dor.state.nc.us/publications/hold_harmless_2009.pdf](http://www.dor.state.nc.us/publications/hold_harmless_2009.pdf)
### North Carolina General Fund Operating Appropriations

(Excludes Local Government Shared Revenues/Reimbursements)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Current Operations</th>
<th>Education</th>
<th>Health &amp; Human Services</th>
<th>All Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public Schools</td>
<td>Community Colleges</td>
<td>University</td>
<td>as % of Total</td>
</tr>
<tr>
<td>1970-71</td>
<td>Authorization</td>
<td>Expenditure</td>
<td>Reversion</td>
<td>% Unexpended</td>
</tr>
<tr>
<td>1971-72</td>
<td>Authorization</td>
<td>Expenditure</td>
<td>Reversion</td>
<td>% Unexpended</td>
</tr>
<tr>
<td>1972-73</td>
<td>Authorization</td>
<td>Expenditure</td>
<td>Reversion</td>
<td>% Unexpended</td>
</tr>
<tr>
<td>1973-74</td>
<td>Authorization</td>
<td>Expenditure</td>
<td>Reversion</td>
<td>% Unexpended</td>
</tr>
<tr>
<td>1974-75</td>
<td>Authorization</td>
<td>Expenditure</td>
<td>Reversion</td>
<td>% Unexpended</td>
</tr>
<tr>
<td>1975-76</td>
<td>Authorization</td>
<td>Expenditure</td>
<td>Reversion</td>
<td>% Unexpended</td>
</tr>
<tr>
<td>1976-77</td>
<td>Authorization</td>
<td>Expenditure</td>
<td>Reversion</td>
<td>% Unexpended</td>
</tr>
<tr>
<td>1977-78</td>
<td>Authorization</td>
<td>Expenditure</td>
<td>Reversion</td>
<td>% Unexpended</td>
</tr>
<tr>
<td>1978-79</td>
<td>Authorization</td>
<td>Expenditure</td>
<td>Reversion</td>
<td>% Unexpended</td>
</tr>
<tr>
<td>1979-80</td>
<td>Authorization</td>
<td>Expenditure</td>
<td>Reversion</td>
<td>% Unexpended</td>
</tr>
</tbody>
</table>
Total General Fund Authorizations as Adjusted to Determine Total Current Operations

Notes
A $25.8 million transferred to the Highway Fund
B Amount shown is net after transfer of $6.6 million to EHNRR operating budget
C Amount shown is net after transfer of $4.4 million to EHNRR operating budget
D Repairs/Renovations of $130 million were funded directly from earmarked reserve as was $39,519,567 additional items by transferring funds appropriated from the General Fund for the Fiscal Year 1995-96 to a capital improvement reserve
E Adjusted to reflect supplemental appropriation for Community Colleges for 1996-97 as appropriated by the 1997 Session
F $47.1 million for the Clean Water Management Trust Fund and Wetlands Restoration Fund earmarked from year-end credit balance
G Adjusted to reflect Year 2000 Conversion appropriation made for 1997-98 by 1998 Session
H $49.4 million for the Clean Water Management Trust Fund earmarked from year-end credit balance
I Includes $400 million for Bailey/Emory/Parrott Reserve and $47.4 million for Clean Water Management Trust Fund earmarked from year-end credit balance
J Originally $150 million but $60 million was transferred to the Hurricane Floyd Disaster Relief Fund; this redirection of funds does not affect current operations amount
K Includes $399 million for Bailey/Emory/Parrott Reserve; $200 million for Intangibles Settlement Reserve; and $30 million for Clean Water Management Trust Fund earmarked from year-end credit balance
L Includes $100 million direct appropriation to R & R, due to insufficient year-end credit balance for earmarking
M Includes $240 million transfer to the Reserve for Intangibles Tax Settlement effective June 30, 2000 and $30 million direct appropriation to Clean Water Management Trust Fund, due to insufficient year-end credit balance for earmarking
N Amounts for FY 2000-01 and FY 2001-02 differ from amounts published in the Overview document for the 2000 and 2001 Sessions. The amounts shown for "Total Authorizations" and "Total Current Operations" have been revised.
O Effective July 1, 2001, the General Assembly established an annual General Fund appropriation for the Clean Water Management Trust Fund; as such funding for this program is included in the Total Current Operations amount for FY 2001-02 and all subsequent fiscal years.
Q Includes $24 million in economic development funding appropriated in S.L. 2003-435 and $64.1 million in emergency funding appropriated in S.L. 2004-88
R Statutorily established the "JDIG Reserve Fund" to make annual appropriations to the Job Development Investment Grants Program. In response to the Governor's appropriation limit, appropriations made to this Reserve in the FY 2004-05 are not considered to be part of the current operating budget.
S Includes an additional $15 million in emergency funds appropriated mid-year for the Department of Corrections as per S.L. 2006-2 (HB 1868).
T Total Authorizations include additional funding passed in HB 265 (Establish High-Risk Pool), HB1517 (Voter-Owned Elections Pilot); and Extra Session: HB 4 (Job Maintenance and Capital Development Fund).
U S.L. 2007-323, Sec. 31.16.3.(c) changed the calculation of the Hold Harmless Distribution effective January 1, 2008.
V Total Authorizations include additional funding passed in S.L. 2009-475 (Budget Technical Corrections).
W Total Authorizations include additional funding passed in S.L. 2010-123 (Budget Technical Corrections).
## North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

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<tr>
<th>Fiscal Year</th>
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<tr>
<td></td>
<td>Public Schools Amount</td>
<td>Amount</td>
<td>Percent</td>
<td>Amount</td>
</tr>
<tr>
<td></td>
<td>as % of Total</td>
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<td>Percent</td>
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<tr>
<td></td>
<td>Community Colleges Amount</td>
<td>Amount</td>
<td>Percent</td>
<td>Amount</td>
</tr>
<tr>
<td></td>
<td>as % of Total</td>
<td>Percent</td>
<td>as % of Total</td>
<td>Percent</td>
</tr>
<tr>
<td></td>
<td>University Amount</td>
<td>Amount</td>
<td>Percent</td>
<td>Amount</td>
</tr>
<tr>
<td></td>
<td>as % of Total</td>
<td>Percent</td>
<td>as % of Total</td>
<td>Percent</td>
</tr>
<tr>
<td></td>
<td>% Unexpended</td>
<td>Amount</td>
<td>Percent</td>
<td>Amount</td>
</tr>
<tr>
<td></td>
<td>as % of Total</td>
<td>Percent</td>
<td>as % of Total</td>
<td>Percent</td>
</tr>
</tbody>
</table>

### 1990-91
- **Authorization**: 7,249,630,710 A
- **Expenditure**: 6,877,865,221
- **Reversion**: 371,765,491

### 1991-92
- **Authorization**: 7,357,101,134 A
- **Expenditure**: 7,184,089,741
- **Reversion**: 173,011,130

### 1992-93
- **Authorization**: 7,881,908,182 A
- **Expenditure**: 7,552,787,565
- **Reversion**: 329,120,617

### 1993-94
- **Authorization**: 8,888,710,752 A
- **Expenditure**: 8,575,733,017
- **Reversion**: 312,977,353

### 1994-95
- **Authorization**: 9,715,509,023 A
- **Expenditure**: 9,482,528,320
- **Reversion**: 232,980,703

### 1995-96
- **Authorization**: 9,793,062,378
- **Expenditure**: 9,570,832,269
- **Reversion**: 222,230,109

### 1996-97
- **Authorization**: 10,450,411,229
- **Expenditure**: 10,309,508,861
- **Reversion**: 140,902,368

### 1997-98
- **Authorization**: 11,258,582,548 B
- **Expenditure**: 11,108,886,722
- **Reversion**: 149,695,826 D

### 1998-99
- **Authorization**: 12,327,025,974
- **Expenditure**: 12,177,442,847
- **Reversion**: 149,583,427 E

### 1999-00
- **Authorization**: 13,441,610,285
- **Expenditure**: 13,297,649,285 G
- **Reversion**: 143,961,000

### 2000-01
- **Authorization**: 14,539,187,563
- **Expenditure**: 14,392,102,470
- **Reversion**: 149,097,233

### 2001-02
- **Authorization**: 15,772,735,460
- **Expenditure**: 15,610,034,403
- **Reversion**: 154,473,970

### 2002-03
- **Authorization**: 17,130,291,680
- **Expenditure**: 16,964,055,564
- **Reversion**: 169,114,689

### 2003-04
- **Authorization**: 18,625,499,075
- **Expenditure**: 18,436,378,241
- **Reversion**: 182,375,044

### 2004-05
- **Authorization**: 20,254,053,155
- **Expenditure**: 20,065,226,282
- **Reversion**: 205,583,151

### 2005-06
- **Authorization**: 22,021,356,115
- **Expenditure**: 21,826,469,847
- **Reversion**: 218,077,628

### 2006-07
- **Authorization**: 23,929,964,405
- **Expenditure**: 23,733,715,113
- **Reversion**: 239,481,850

### 2007-08
- **Authorization**: 25,986,052,410
- **Expenditure**: 25,791,748,372
- **Reversion**: 259,559,923

### 2008-09
- **Authorization**: 28,186,537,012
- **Expenditure**: 27,990,701,222
- **Reversion**: 281,886,993

### 2009-10
- **Authorization**: 30,594,708,771
- **Expenditure**: 30,394,507,653
- **Reversion**: 306,320,251

### 2010-11
- **Authorization**: 33,172,648,004
- **Expenditure**: 32,974,754,476
- **Reversion**: 339,655,770

### 2011-12
- **Authorization**: 36,032,873,908
- **Expenditure**: 35,827,800,379
- **Reversion**: 364,579,384

### 2012-13
- **Authorization**: 38,995,449,904
- **Expenditure**: 38,780,411,760
- **Reversion**: 389,412,750

### 2013-14
- **Authorization**: 42,240,116,974
- **Expenditure**: 42,010,005,537
- **Reversion**: 422,249,160

### 2014-15
- **Authorization**: 45,908,789,724
- **Expenditure**: 45,669,232,361
- **Reversion**: 459,002,880

### 2015-16
- **Authorization**: 50,021,059,565
- **Expenditure**: 49,774,055,312
- **Reversion**: 500,231,830

### 2016-17
- **Authorization**: 54,507,986,810
- **Expenditure**: 54,247,546,132
- **Reversion**: 545,230,428

### 2017-18
- **Authorization**: 59,520,026,415
- **Expenditure**: 59,266,667,372
- **Reversion**: 595,230,690

### 2018-19
- **Authorization**: 65,000,000,000
- **Expenditure**: 64,745,948,680
- **Reversion**: 650,000,000

### 2019-20
- **Authorization**: 71,000,000,000
- **Expenditure**: 70,745,948,680
- **Reversion**: 710,000,000

### 2020-21
- **Authorization**: 77,000,000,000
- **Expenditure**: 76,745,948,680
- **Reversion**: 770,000,000

### 2021-22
- **Authorization**: 83,000,000,000
- **Expenditure**: 82,745,948,680
- **Reversion**: 830,000,000
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Total Current Operations</th>
<th>Education</th>
<th>Health &amp; Human Services</th>
<th>All Other</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public Schools</td>
<td>Community Colleges</td>
<td>University</td>
<td>as % of Total</td>
</tr>
<tr>
<td></td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
<td></td>
</tr>
<tr>
<td>2000-01</td>
<td>13,785,142,760</td>
<td>5,792,274,120</td>
<td>42.0%</td>
<td>644,032,372</td>
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<tr>
<td>2001-02</td>
<td>14,372,409,843</td>
<td>5,922,450,405</td>
<td>41.2%</td>
<td>650,075,770</td>
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<td></td>
</tr>
<tr>
<td>2002-03</td>
<td>13,824,364,493</td>
<td>5,872,954,662</td>
<td>42.48%</td>
<td>620,183,204</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>2003-04</td>
<td>14,835,621,783</td>
<td>6,182,040,462</td>
<td>41.7%</td>
<td>683,286,314</td>
</tr>
<tr>
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</tr>
<tr>
<td>2004-05</td>
<td>15,873,167,528</td>
<td>6,519,008,204</td>
<td>41.1%</td>
<td>751,146,236</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2005-06</td>
<td>17,141,460,791</td>
<td>6,880,737,717</td>
<td>40.1%</td>
<td>827,719,984</td>
</tr>
<tr>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>2006-07</td>
<td>18,659,616,984</td>
<td>7,403,293,531</td>
<td>39.7%</td>
<td>935,718,292</td>
</tr>
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</tr>
<tr>
<td>2007-08</td>
<td>20,482,846,612</td>
<td>8,055,773,246</td>
<td>39.4%</td>
<td>990,523,754</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2008-09</td>
<td>21,226,885,372</td>
<td>8,365,862,894</td>
<td>39.4%</td>
<td>1,016,658,560</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009-10</td>
<td>19,010,057,199</td>
<td>7,544,465,541</td>
<td>39.7%</td>
<td>1,011,884,279</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18,507,766,990</td>
<td>7,486,556,464</td>
<td>40.5%</td>
<td>945,289,841</td>
</tr>
<tr>
<td></td>
<td>502,290,209 K</td>
<td>57,909,077</td>
<td>11.5%</td>
<td>66,585,438</td>
</tr>
</tbody>
</table>

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)
Notes
A Amounts Adjusted; see Total General Fund Authorizations as Adjusted to Determine Total Current Operations
B Adjusted to include Year 2000 Appropriation for 1997-98 made by 1998 Session
C Adjusted for Reorganization reflecting transfer of Health Services to Department of Health and Human Services
D Reversions for 1997-98 of $55,027,680 were earmarked for expenditure in Section 9 of SB 1366 (SL1998-212), reducing net reversions to $94,668,146
E Reversions of $37 million were earmarked: $30 million for Aquariums Capital and $7 million for Warren County
F Total includes $240 million transfer from 11th/12th month payroll funds to Intangibles Reserve and additional $11 million transfer to General Fund
G Total includes $225.7 million in "targeted reversions" transferred from state agencies to the Reserve for Hurricane Floyd Disaster Relief. (Amounts transferred to the Floyd Reserve by: Public Schools = $45,545,171; Community Colleges = $5,797,721; UNC System = $13,607,225; DHHS = $96,758,305)
H Reversion totals higher for FY 2000-01, 2001-02 and 2002-03 due to budget balancing measures directed by the Governor.
I Total includes $91 million in "targeted reversions" transferred from state agencies to the Disaster Relief Reserve Fund.
J The $1.6 billion shown as "reversions" reflects reduced spending authorizations due to a significant revenue shortfall (see Special Topics section).
K The $502.3 million shown as "reversions" reflects reduced spending authorizations due to a revenue shortfall.
### Earmarking of the Unreserved Fund Balance by Fiscal Year
(Includes Earmarkings / Transfers / Appropriations Directly from Year End Balance)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Unreserved Fund Balance b/f Earmarking</th>
<th>Savings Reserve Account</th>
<th>Repairs &amp; Renovations Account</th>
<th>Clean Water Management Trust Fund</th>
<th>Tax Relief/Other Reversions of Earmarking</th>
<th>Appropriation on Total</th>
<th>Unreserved Fund Balance for Subsequent FY Beginning July 1st</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991-92</td>
<td>164,773,001</td>
<td>41,192,253</td>
<td>134,332,565</td>
<td>57,000,000</td>
<td>28,100,000</td>
<td>123,579,748</td>
<td>132,579,748</td>
</tr>
<tr>
<td>1992-93</td>
<td>537,330,259</td>
<td>155,678,246</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>345,997,694</td>
<td>345,997,694</td>
</tr>
<tr>
<td>1993-94</td>
<td>622,712,983</td>
<td>213,005,569</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>407,034,737</td>
<td>407,034,737</td>
</tr>
<tr>
<td>1994-95</td>
<td>726,581,754</td>
<td>77,342,026</td>
<td>155,678,246</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>468,000,000</td>
<td>468,000,000</td>
</tr>
<tr>
<td>1996-97</td>
<td>784,224,890</td>
<td>215,005,569</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>597,224,890</td>
<td>597,224,890</td>
</tr>
<tr>
<td>1997-98</td>
<td>514,756,178</td>
<td>174,260,955</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>431,496,178</td>
<td>431,496,178</td>
</tr>
<tr>
<td>1998-99</td>
<td>3,869,243</td>
<td>150,000,000</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>3,869,243</td>
<td>0</td>
</tr>
<tr>
<td>2000-01</td>
<td>6,350,587</td>
<td>2,901,932</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>6,350,587</td>
<td>0</td>
</tr>
<tr>
<td>2001-02</td>
<td>3,785,997</td>
<td>967,311</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>0</td>
<td>25,000,000</td>
</tr>
<tr>
<td>2002-03</td>
<td>415,543,840</td>
<td>150,000,000</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>165,000,000</td>
<td>250,543,840</td>
</tr>
<tr>
<td>2003-04</td>
<td>482,842,037</td>
<td>116,666,064</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>193,463,425</td>
<td>289,378,612</td>
</tr>
<tr>
<td>2004-05</td>
<td>802,633,946</td>
<td>199,125,000</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>324,125,000</td>
<td>478,508,946</td>
</tr>
<tr>
<td>2005-06</td>
<td>1,287,766,872</td>
<td>316,151,631</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>538,380,820</td>
<td>749,386,052</td>
</tr>
<tr>
<td>2006-07</td>
<td>1,541,181,489</td>
<td>175,000,000</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>320,000,000</td>
<td>1,221,181,489</td>
</tr>
<tr>
<td>2007-08</td>
<td>668,876,937</td>
<td>222,229,189</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>69,839,238</td>
<td>599,037,699</td>
</tr>
<tr>
<td>2008-09</td>
<td>92,237,091</td>
<td>0</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>0</td>
<td>92,237,091</td>
</tr>
<tr>
<td>2009-10</td>
<td>236,902,394</td>
<td>0</td>
<td>146,305,569</td>
<td>60,000,000</td>
<td>39,803,567</td>
<td>0</td>
<td>236,902,394</td>
</tr>
</tbody>
</table>

**Notes**

A. June 30th unreserved fund balance according to the Office of State Budget and Management and the Office of the State Controller.

B. Effective July 1, 2001, the General Assembly repealed the required earmarking of the year end credit balance for the Clean Water Management Trust Fund and established an annual appropriation for the trust fund.

C. Includes direct transfer to the Savings Reserve Account of $66,700,000.

D. Only $125,000,000 was appropriated by the General Assembly for Repairs/Renovations; the balance of $21,305,569 was appropriated by the 1996 Session of the General Assembly for Special Projects.

E. Funds reserved for Future Tax Relief.
Earmarking of the Unreserved Fund Balance by Fiscal Year
(Includes Earmarkings / Transfers / Appropriations Directly from Year End Balance)

F $9.2 million was transferred to the Wetlands Restoration Fund in accordance with Section 27.6(d) of Chapter 18 of the 1996 Extra Session Laws.
G Reserve for Federal Retirees Refund ($25 million) and Federal Retiree Administration ($1.2 million).
H Appropriation of additional 1996-97 capital improvements of $39,519,567 made by re-appropriating 1995-96 unexpended appropriations and the appropriation of 1995-96 reversion of $284,000 for library grants (Library grant was not re-appropriated but held in reserve).
I Funds reserved for Intangible Tax Remedy/Refunds.
J Investment in North Carolina Railroad stock.
L Funds reserved for Bailey/Emory/Patton Reserve.
M $30 million appropriation for Aquariums capital improvement; $7 million appropriated for Warren County Landfill.
N Year-end credit balance insufficient for earmarking; General Assembly appropriated $30 million directly to the Clean Water Management Trust Fund.
O Transferred to the Reserve for Disaster Relief.
P The beginning unreserved fund balance recognized by the General Assembly and included in General Fund availability for the FY 2002-03 is $25 million, as specified in S.L. 2002-126, Sec. 2.2.(a).
Q The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was $409.2 million and $244.2 million, respectively.
R The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was $466.7 million and $273.2 million, respectively.
S The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was $796.5 million and $472.4 million, respectively.
T The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was $1.296 billion and $749.4 million, respectively.
U Pursuant to G.S. 143-15.3, Savings Reserve earmarking is adjusted to reflect final unreserved fund balance; earmarking recognized by General Assembly in S.L. 2006-66 was $323,871,747.
V The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was $1.493 billion and $1.173 billion, respectively.
W Pursuant to S.L. 2007-323, Sec. 2.2.(c1), Savings Reserve earmarking recognized by the General Assembly was $175,000,000.
X The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was $576.1 million and $506.2 million, respectively.
Y Pursuant to S.L. 2008-107, Sec. 2.2.(c1), Savings Reserve earmarking recognized by the General Assembly was $0.
Z The unreserved fund balance recognized by the General Assembly was $91,967,011.
AA The unreserved fund balance recognized by the General Assembly was $3,972,262. As per the Office of State Budget and Management, Medicaid reimbursements anticipated for the first quarter of FY 2010/11 were drawn down and deposited into the FY 2009/10 budget.
## Savings Reserve Account at Fiscal Year Ending June 30th

### Statutory Goal:

- **8% of Prior Unreserved Current Year Fund Balance at Fiscal Year End**
- **Current Year Appropriation to Savings Reserve**
- **Withdrawals and Adjustments**
- **Savings Reserve Account Balance**

### Prior Fiscal Year

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Current Operations Appropriation</th>
<th>Statutory Goal: Operations Appropriation</th>
<th>Unreserved Fund Balance at Fiscal Year End</th>
<th>Current Year Appropriation to Savings Reserve</th>
<th>Withdrawals and Adjustments</th>
<th>Savings Reserve Account Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-1991</td>
<td>7,726,343,007</td>
<td>386,317,150</td>
<td>164,773,001</td>
<td>141,000,000</td>
<td>A</td>
<td>41,593,253</td>
</tr>
<tr>
<td>1991-1992</td>
<td>8,825,507,308</td>
<td>391,275,365</td>
<td>537,330,259</td>
<td>41,593,253</td>
<td>0</td>
<td>175,925,818</td>
</tr>
<tr>
<td>1992-1993</td>
<td>9,113,332,336</td>
<td>405,716,617</td>
<td>622,712,983</td>
<td>0</td>
<td></td>
<td>210,604,064</td>
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<tr>
<td>1993-1994</td>
<td>9,125,849,006</td>
<td>456,254,245</td>
<td>586,422,276</td>
<td>(121,000,000)</td>
<td>B</td>
<td>423,609,633</td>
</tr>
<tr>
<td>1994-1995</td>
<td>10,019,033,177</td>
<td>400,951,659</td>
<td>726,581,754</td>
<td>0</td>
<td></td>
<td>500,951,662</td>
</tr>
<tr>
<td>1996-1997</td>
<td>10,450,411,229</td>
<td>522,520,561</td>
<td>784,224,890</td>
<td>0</td>
<td></td>
<td>522,520,561</td>
</tr>
<tr>
<td>2000-2001</td>
<td>13,878,542,760</td>
<td>693,927,138</td>
<td>3,785,997</td>
<td>(200,000,000)</td>
<td>G</td>
<td>322,520,561</td>
</tr>
<tr>
<td>2001-2002</td>
<td>14,705,809,843</td>
<td>735,290,492</td>
<td>415,543,840</td>
<td>0</td>
<td></td>
<td>150,000,000</td>
</tr>
<tr>
<td>2002-2003</td>
<td>14,320,664,876</td>
<td>716,033,244</td>
<td>482,842,037</td>
<td>37,522,048</td>
<td>307x1123</td>
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</tr>
<tr>
<td>2004-2005</td>
<td>15,897,682,933</td>
<td>794,884,047</td>
<td>1,287,766,872</td>
<td>(153,541,447)</td>
<td>S</td>
<td>628,792,591</td>
</tr>
<tr>
<td>2005-2006</td>
<td>17,161,861,310</td>
<td>858,093,066</td>
<td>1,541,181,489</td>
<td>(17,142,913)</td>
<td>V</td>
<td>786,649,678</td>
</tr>
<tr>
<td>2006-2007</td>
<td>18,673,708,783</td>
<td>933,685,439</td>
<td>668,876,937</td>
<td>0</td>
<td></td>
<td>786,649,678</td>
</tr>
<tr>
<td>2007-2008</td>
<td>20,441,301,149</td>
<td>1,635,304,092</td>
<td>92,237,091</td>
<td>0</td>
<td></td>
<td>150,000,000</td>
</tr>
<tr>
<td>2008-2009</td>
<td>21,239,049,461</td>
<td>1,699,123,957</td>
<td>0</td>
<td>0</td>
<td></td>
<td>150,000,000</td>
</tr>
<tr>
<td>2009-2010</td>
<td>21,239,049,461</td>
<td>1,699,123,957</td>
<td>0</td>
<td>0</td>
<td></td>
<td>150,000,000</td>
</tr>
<tr>
<td>2010-2011</td>
<td>21,239,049,461</td>
<td>1,699,123,957</td>
<td>0</td>
<td>0</td>
<td></td>
<td>150,000,000</td>
</tr>
</tbody>
</table>

* Includes Local Government Shared Revenues/Reimbursements

** Effective July 1, 2007, the State Budget Act (S.L. 2006-323) sets a Savings Reserve Account balance goal equal to at least 8% of the prior year operations appropriations. Prior to FY 2008-2009, there was a statutory cap of 5% of the prior year operations appropriations.

### Notes

- **A** The General Assembly appropriated $141 million; this reserve was used to offset a shortfall in revenue for 1990-91
- **B** The General Assembly authorized the transfer of $121 million to be used for the purpose of restoring the June 30 paydate.
Savings Reserve Account at Fiscal Year Ending June 30th

C Includes direct appropriation to Savings Reserve Account ($66.7 million) and Local Government Shared Revenue ($236.8 million).

D Adjusted to reflect Emergency Appropriation made to the Dept. of Community Colleges for 1996-97 by the 1997 Session.

E Adjusted to reflect Emergency Appropriation for Year 2000 Conversion for 1997-98 ($20,506,367) as approved by 1998 Session.

F The 1999 General Assembly directed that no funds be transferred to the Savings Reserve Account for the fiscal year ending June 30, 1999.

G Funds appropriated from the Savings Reserve Account to comply with the lawsuit settlement on the Intangible Tax Refunds.

H Adjusted for $6.5 million in Juvenile Justice Reserve transferred to Capital Improvements.

I Funds appropriated from the Savings Reserve Account to the Hurricane Floyd Reserve Fund (Office of State Budget Disaster Relief Fund).

J Funds appropriated directly to the Savings Reserve Account, due to insufficient year-end credit balance for earmarking.

K Includes funds credited directly to the Savings Reserve Account from anticipated revenues, due to insufficient year-end credit balance for earmarking. Includes $181 million credited per S.L. 2001-424, Appropriations Act and $750,000 per S.L. 2001-514, Turfgrass Research. Due to a revenue shortfall during FY 2001-02, the Director of the Budget credited only $90 million to the Savings Reserve Account.

L $8,180,351 transferred to terrorism defense initiatives and $239,341,697 transferred to General Fund availability to cover revenue shortfall as authorized by the General Assembly.

M Per the Office of State Budget and Management (OSBM). The beginning unreserved credit balance recognized by the General Assembly and included in General Fund availability for FY 2002-03 is $25 million, as specified in Section 2.2(a) of S.L. 2002-126.

N The General Assembly directed that no funds be credited to the Savings Reserve Account from the FY 2001-02 year-end credit balance.

O Per OSBM and Office of the State Controller (OSC). The unreserved credit balance recognized by the General Assembly prior to earmarkings was $409.2 million.

P Per OSBM. The unreserved credit balance recognized by the General Assembly prior to earmarkings was $466.7 million.

Q $391,343 in unexpended funds for FY 2001-02 terrorism defense initiatives reverted to the Savings Reserve Account.

R June 30th credit balance per the Office of State Budget and Management and Office of the State Controller. The unreserved credit balance recognized by the General Assembly prior to earmarkings was $796.5 million.

S Senate Bill 7 appropriated $123.5 million from the Savings Reserve Account pursuant to the Hurricane Recovery Act of 2005 (S.L. 2005-1) and $30 million for mitigation efforts recommended by the Governor.

T June 30th credit balance and final Savings Reserve earmarking per the Office of State Budget and Management and Office of the State Controller. Estimated unreserved credit balance and Savings Reserve earmarking recognized by the General Assembly (S.L. 2006-66) was $1.296 billion and $323.9 million respectively.

U June 30th credit balance and final Savings Reserve earmarking per the Office of State Budget and Management and Office of the State Controller. Estimated June 30th credit balance per OSBM. The estimated unreserved credit balance recognized by the General Assembly was $466.7 million.

V S. L. 2006-66, Sec. 2.2.(g) Directed the State Treasurer to transfer funds from the Savings Reserve to hold Highway Fund and the Highway Trust Fund harmless from the cap on the Motor Fuels Tax.

W Effective with the FY 1992-93 budget, the Executive Budget Act required an earmarking of the lesser of 25% of the year-end unreserved credit balance or the amount required to reach the 5% statutory cap. Effective July 1, 2007, G.S. 143C-4-2 of the State Budget Act now requires that 25% of the year-end unreserved fund balance be reserved to the Savings Reserve Account. The goal is to maintain a balance in the SRA that is at least 8% of the prior year appropriations. The State Budget Act (S.L. 2006-203) repealed and replaced the Executive Budget Act as of July 1, 2007.

X S.L. 2009-16 appropriated $250,000,000 from the Savings Reserve Account to the State's Health Plan to cover a projected shortfall in the Plan for FY 2008-09. Additionally, S.L. 2009-215 appropriated funds to the extent needed to balance the FY 2008-09 General Fund budget; in total, Governor Purdue withdrew $386.6 million from the Savings Reserve for this purpose.
A - 12

Actual Tax Revenues Collected by Major Schedules
Fiscal
Year

Individual
Income Tax

Corporate
Income Tax

Total
Income Tax

Sales & Use

Franchise

Inheritance

Beverage

Insurance

Cigarette/
Tobacco

Soft
Drinks

Other

Total Tax
Revenue

1970-71
1971-72
1972-73
1973-74
1974-75

301,755,720
361,816,480
431,222,164
504,319,052
549,927,432

111,841,025
122,034,298
135,086,285
148,748,753
165,473,944

413,596,745
483,850,778
566,308,449
653,067,805
715,401,376

285,893,056
324,824,018
368,746,184
409,393,909
423,006,813

61,924,665
71,073,722
80,622,288
91,658,623
111,742,188

18,808,807
22,164,706
34,030,814
29,196,269
26,202,077

56,382,987
60,583,412
63,957,863
67,751,142
70,042,026

32,368,226
35,927,677
40,802,936
44,764,328
47,999,930

16,361,491
18,891,365
20,228,597
20,531,733
20,753,314

18,550,517
19,192,153
19,724,564
20,200,510
18,110,432

17,558,198
15,391,871
19,575,349
21,621,149
17,925,944

921,444,692
1,051,899,702
1,213,997,044
1,358,185,468
1,451,184,100

1975-76
1976-77
1977-78
1978-79
1979-80

604,792,720
782,092,041
848,247,311
996,226,723
1,180,507,067

155,685,814
203,397,684
228,693,809
252,704,464
290,632,136

760,478,534
985,489,725
1,076,941,120
1,248,931,187
1,471,139,203

464,756,311
510,295,335
578,960,737
646,729,888
691,902,227

130,193,042
146,139,025
162,348,177
181,454,337
200,814,972

28,280,942
31,038,176
35,122,343
37,709,225
40,077,397

73,323,247
75,216,249
79,809,085
85,115,511
90,461,024

54,809,184
56,609,311
63,957,032
71,109,177
80,258,938

21,473,062
20,307,632
19,415,339
18,826,236
18,031,230

19,765,341
20,119,909
22,071,726
23,047,831
21,970,740

18,765,791
24,751,396
21,856,189
24,294,753
24,558,259

1,571,845,454
1,869,966,758
2,060,481,748
2,337,218,145
2,639,213,990

1980-81
1981-82
1982-83
1983-84
1984-85

1,303,517,221
1,449,370,198
1,550,107,336
1,784,986,813
2,023,463,495

279,803,897
277,447,978
306,517,039
367,823,717
489,955,619

1,583,321,118
1,726,818,176
1,856,624,375
2,152,810,530
2,513,419,114

737,098,123
777,449,131
823,400,004
998,987,392
1,155,845,141

235,280,325
269,764,189
298,560,505
326,787,458
310,142,987

43,433,565
43,480,619
44,071,761
66,412,027
71,203,186

95,389,760
99,640,685
100,343,420
101,192,377
105,075,395

86,188,075
92,817,199
98,116,843
106,523,346
116,107,705

18,247,220
18,277,757
15,618,474
14,970,694
14,907,150

22,278,966
21,882,630
21,829,242
23,667,499
24,607,217

24,716,296
27,582,451
20,460,219
23,026,280
25,414,359

2,845,953,448
3,077,712,837
3,279,024,843
3,814,377,603
4,336,722,254

1985-86
1986-87
1987-88
1988-89
1989-90

2,206,749,074
2,565,878,217
2,686,832,223
3,002,323,870
3,390,389,817

510,675,054
563,528,678
625,972,626
549,432,007
557,763,530

2,717,424,128
3,129,406,895
3,312,804,849
3,551,755,877
3,948,153,347

1,380,409,070
1,451,612,941
1,555,266,971
1,681,724,768
1,762,717,987

197,594,803
206,523,263
234,779,520
236,296,779
262,760,974

82,020,611
73,540,356
60,728,032
67,154,138
72,871,272

108,981,903
112,514,998
122,479,873
127,614,668
145,690,616

134,814,850
139,229,389
186,461,390
187,071,844
176,714,976

14,895,376
11,616,044
8,484,073
7,952,400
15,315,186

25,712,882
24,828,396
27,365,786
27,912,071
28,987,047

32,667,227
31,289,835
42,918,379
41,059,561
148,211,757

4,694,520,850
5,180,562,117
5,551,288,873
5,928,542,106
6,561,423,162

1990-91
1991-92
1992-93
1993-94
1994-95

3,534,474,150
3,583,017,675
3,992,016,392
4,254,506,549
4,665,474,733

493,213,262
606,195,418
429,848,526
487,796,660
649,389,838

4,027,687,412
4,189,213,093
4,421,864,918
4,742,303,209
5,314,864,571

1,682,340,881
2,161,362,545
2,344,073,330
2,578,846,239
2,781,683,390

372,888,415
406,952,650
419,986,494
439,287,031
458,058,989

76,790,835
87,676,257
89,618,065
106,533,229
109,865,448

153,753,340
158,075,821
159,142,463
161,133,617
163,188,783

193,240,504
203,829,955
198,811,590
219,439,488
236,215,989

15,190,478
40,362,907
42,880,901
37,925,056
44,635,750

29,752,060
32,417,808
34,461,373
36,538,688
37,958,080

140,861,252
158,554,573
172,177,426
194,749,199
219,345,056

6,692,505,177
7,438,445,609
7,883,016,560
8,516,755,756
9,365,816,056

1995-96
1996-97
1997-98
1998-99
1999-00

4,800,034,948
5,329,990,261
6,028,870,217
6,606,500,278
7,080,106,177

673,837,774
717,750,574
696,338,557
848,509,669
903,241,974

5,473,872,722
6,047,740,835
6,725,208,774
7,455,009,947
7,983,348,151

2,958,132,813
3,127,673,443
3,255,372,048
3,376,206,664
3,354,897,708

355,918,036
387,811,674
407,256,555
409,558,340
306,979,197

112,912,290
132,068,325
138,124,663
169,935,220
163,327,319

145,517,853
150,208,567
153,723,510
158,026,529
166,372,353

242,652,553
258,503,720
283,763,234
291,230,879
273,367,118

46,697,736
46,677,349
47,177,218
44,852,542
43,663,205

39,805,998
31,347,645
23,078,645
12,349,253
1,285,949

83,245,228
57,115,919
58,741,873
48,094,529
97,737,509

9,458,755,229
10,239,147,477
11,092,446,520
11,965,263,904
12,390,978,509

2000-01
2001-02
2002-03
2003-04
2004-05
2005-06

7,391,342,524
460,315,086 7,851,657,610
7,134,629,832
409,322,539 7,543,952,371
7,088,526,873
840,499,824 7,929,026,697
7,509,898,086
776,964,847 8,286,862,933
8,409,288,618 1,193,529,164 9,602,817,782
9,400,167,970 1,204,102,940 10,604,270,910

3,435,558,577
3,705,769,832
3,922,821,877
4,222,201,842
4,477,159,178
4,893,911,220

580,431,850
446,270,680
429,128,005
445,294,486
498,681,391
477,055,108

123,165,443
104,750,885
112,504,407
128,479,443
135,211,344
133,379,473

172,698,910
174,644,725
170,896,551
182,392,509
189,308,658
200,845,242

305,791,331
340,785,358
408,873,354
423,405,050
431,664,202
431,729,295

42,025,877
41,531,347
41,998,713
43,732,769
42,981,044
171,636,758

51,202
1,855
0
0
0
0

61,678,611
86,953,961
101,981,180
98,357,842
99,734,304
107,687,797

12,573,059,411
12,444,661,014
13,117,230,784
13,830,726,874
15,477,557,903
17,020,515,803

4,995,570,841
4,981,673,149
4,677,961,056
5,565,041,905

531,412,140
574,460,805
651,888,376
724,521,700

161,586,810
158,764,850
104,300,000
71,879,400

212,608,231
225,125,416
228,489,902
282,330,700

475,545,413
492,698,607
466,634,797
486,905,100

241,174,320
237,377,533
227,077,126
251,735,400

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0
0
0

135,776,844
148,954,250
116,517,120
116,893,311

18,713,040,328
18,833,022,652
16,778,553,490
17,744,802,216

2006-07 10,507,966,531 1,451,399,198
2007-08 10,902,299,190 1,111,668,852
2008-09 9,470,227,521 835,457,592
2009-10 9,047,631,700 1,197,863,000

11,959,365,729
12,013,968,042
10,305,685,113
10,245,494,700

