



FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

2011 ANNOTATED COMMITTEE REPORT ON THE CONTINUATION, EXPANSION AND CAPITAL BUDGETS

**(Includes summaries of relevant provisions of S.L. 2011-145, House Bill 200,
Budget Act; S.L. 2011-391, House Bill 22, Budget Technical Changes/
Corrections ; and related bills through January 5, 2012)**

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FOREWORD

This document is an annotated version of the Senate Appropriations Committee Report on the Continuation, Expansion and Capital Budgets for the FY 2011-13 Biennium as presented in HB 22. This Annotated Report, includes all legislative adjustments for the FY 2011-13 budgets contained in S.L. 2011-145 (HB 200), S.L. 2011-391 (HB 22) and related bills approved through January 5, 2012. Also included are summaries of other related bills and budgetary information.

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* These agencies were merged into the new Department of Public Safety as of January 1, 2012.

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GENERAL FUND AVAILABILITY STATEMENT

Revised General Fund Availability Statement

	FY 2011-12	FY 2012-13
1 Unappropriated Balance Remaining		41,232,325
2 Ending Unreserved Fund Balance for FY 2009-10	236,902,394	0
3 Anticipated Reversions for FY 2010-11 - Session Law 2011-15 (S.B. 109)	537,740,799	0
4 Anticipated Overcollections from FY 2010-11	180,800,000	0
5 Repayment of Medicaid Receipts in FY 2010-11	(125,000,000)	0
6 Transfer Health and Wellness Trust Funds to Public Health ¹	32,904,411	0
7 Adjustment from Estimated to Actual FY 2010-11 Beginning Unreserved Fund Balance ² .	27,252,310	0
8 Statutory Earmarks:		
9 Savings Reserve Account	(183,650,000)	0
10 Repairs and Renovations Reserve Account	(124,500,000)	0
11 Beginning Unreserved Fund Balance	582,449,914	41,232,325
12		
13 Revenues Based on Existing Tax Structure	18,129,800,000	19,181,900,000
14 Non-tax Revenues		
15 Investment Income	59,400,000	76,700,000
16 Judicial Fees	217,800,000	217,800,000
17 Disproportionate Share	100,000,000	100,000,000
18 Insurance	71,400,000	73,500,000
19 Other Non-Tax Revenues	182,500,000	182,500,000
20 Highway Trust Fund/Use Tax Reimbursement Transfer	41,500,000	27,600,000
21 Highway Fund Transfer	20,230,000	24,080,000
22 Subtotal Non-tax Revenues	692,830,000	702,180,000
23 Total General Fund Availability	19,405,079,914	19,925,312,325
24 Adjustments to Availability: 2011 Session		
25 Loss of Estate Tax	(57,100,000)	(72,200,000)
26 Small Business Tax Relief Package	(131,600,000)	(335,600,000)
27 Repeal Wildlife Resources Commission Sales Tax Earmark	22,970,000	23,920,000
28 Suspend Corporate Income Tax Earmark (Public School Construction)	72,110,000	74,750,000
29 Increase in Judicial Fees	61,765,715	61,765,715
30 Increase Investment Company Notice Filing Fee	1,600,000	1,600,000
31 Increase Parking Fees for Visitors	550,000	550,000
32 Loss of Revenue from the Town of Butner	(1,213,235)	(1,213,235)
33 Transfer from E-Commerce Reserve Fund	4,483,526	0
34 Divert Funds from Parks & Recreation Trust Fund	8,435,000	0
35 Divert Funds from Recreational/ Natural Heritage Trust Fund	8,000,000	0
36 Transfer from Highway Fund for State Highway Patrol	196,849,542	188,209,049
37 Transfer Additional Funds from Highway Trust Fund	35,223,642	0
38 Transfer from Mercury Prevention Pollution Fund	250,000	0
39 Transfer from Commerce - Enterprise Fund	500,000	0
40 Divert Funds from Scrap Tire Disposal Account	2,268,989	0
41 Divert Funds from White Goods Management Account	1,951,465	0
42 Diversion of Golden LEAF Funds	17,563,760	17,563,760
43 Master Settlement Agreement Funds	24,668,720	25,580,772
44 Transfer Health and Wellness Trust Funds to Public Health ¹	0	0
45 Department of Revenue - Accounts Receivable Program	25,000,000	25,000,000
46 Medicaid Disproportionate Share Receipts	15,000,000	15,000,000
47 Adjust Transfer from Insurance Regulatory Fund	(742,348)	(742,348)
48 Adjust Transfer from Treasurer's Office	(3,881,172)	(3,916,453)
49 Transfer from NC Flex FICA Funds	1,000,000	0
50 Proceeds from the Sale of State Assets	15,000,000	25,000,000
51 Tax Credit for Children with Disabilities (S.L. 2011-395;HB 344)	(1,350,000)	(5,877,900)
52 Subtotal Adjustments to Availability: 2011 Session	319,303,604	39,389,360
53 Revised General Fund Availability	19,724,383,518	19,964,701,685
54 Less General Fund Appropriations	(19,683,151,193)	(19,937,449,375)
55 Unappropriated Balance Remaining	41,232,325	27,252,310

56 ¹ -Transfer effective June 30th, 2011. The funds previously on line 44 are now included on line 6 .

57 ² - S.L. 2011-145 (Appropriations Act) projected Beginning Unreserved Fund Balance on line 11 for FY 2011-12 was \$522,293,193.

SUMMARY:

**GENERAL FUND
APPROPRIATIONS**

SUMMARY OF GENERAL FUND APPROPRIATIONS						
2011 Legislative Session: Fiscal Year 2011-12						
		Legislative Adjustments				Revised
	Continuation	Recurring	Nonrecurring	Net	FTE	Appropriation
	Budget	Adjustments	Adjustments	Changes	Changes	2011-12
<u>Education</u>						
Community Colleges	1,102,475,214	(109,875,214)	(7,600,000)	(117,475,214)	(25.00)	985,000,000
Public Education	7,923,543,951	(341,814,675)	(117,237,219)	(459,051,894)	(99.50)	7,464,492,057
University System	2,887,492,464	(332,663,591)	(14,453,741)	(347,117,332)	309.80	2,540,375,132
Total Education	11,913,511,629	(784,353,480)	(139,290,960)	(923,644,440)	185.30	10,989,867,189
<u>Health and Human Services</u>						
Central Management and Support	70,229,335	(25,651,348)	5,599,390	(20,051,958)	(288.00)	50,177,377
Aging and Adult Services	37,419,667	(400,000)	0	(400,000)	0.00	37,019,667
Blind and Deaf / Hard of Hearing Services	8,389,110	0	0	0	0.00	8,389,110
Child Development	261,759,600	10,695,977	(6,352,644)	4,343,333	0.00	266,102,933
Health Service Regulation	17,925,590	0	(1,792,559)	(1,792,559)	0.00	16,133,031
Medical Assistance	3,314,539,538	(340,004,970)	(16,146,384)	(356,151,354)	(30.00)	2,958,388,184
Mental Health, Dev. Disabilities and Sub. Abuse	723,675,112	(12,962,880)	(45,000,000)	(57,962,880)	(7.00)	665,712,232
NC Health Choice	88,373,806	(8,921,489)	0	(8,921,489)	0.00	79,452,317
Public Health	161,930,589	(4,391,755)	32,904,411	28,512,656	(25.00)	190,443,245
Social Services	202,245,063	(16,061,995)	0	(16,061,995)	(2.00)	186,183,068
Vocational Rehabilitation	41,252,238	(2,058,522)	(2,067,928)	(4,126,450)	(5.00)	37,125,788
Total Health and Human Services	4,927,739,648	(399,756,982)	(32,855,714)	(432,612,696)	(357.00)	4,495,126,952
<u>Justice and Public Safety</u>						
Correction	1,421,644,768	(71,332,902)	(12,495,520)	(83,828,422)	(499.00)	1,337,816,346
Crime Control & Public Safety	34,175,427	191,083,368	0	191,083,368	2,310.50	225,258,795
Judicial Department	477,189,575	(39,454,220)	1,184,693	(38,269,527)	(302.50)	438,920,048
Judicial - Indigent Defense	122,770,246	(10,021,513)	(2,657,207)	(12,678,720)	(11.40)	110,091,526
Justice	89,670,944	(8,806,806)	(160,125)	(8,966,931)	(105.31)	80,704,013
Juvenile Justice & Delinquency Prevention	151,295,187	(19,563,395)	3,861,900	(15,701,495)	(278.60)	135,593,692
Total Justice and Public Safety	2,296,746,147	41,904,532	(10,266,259)	31,638,273	1,113.69	2,328,384,420

SUMMARY OF GENERAL FUND APPROPRIATIONS						
2011 Legislative Session: Fiscal Year 2011-12						
		Legislative Adjustments				Revised
	Continuation	Recurring	Nonrecurring	Net	FTE	Appropriation
	Budget	Adjustments	Adjustments	Changes	Changes	2011-12
<u>Natural and Economic Resources</u>						
Agriculture and Consumer Services	61,754,014	(1,555,380)	5,262,230	3,706,850	(8.00)	65,460,864
Commerce	38,907,381	(5,920,640)	17,865,599	11,944,959	(19.00)	50,852,340
Commerce - State Aid	31,169,289	(2,190,286)	3,872,022	1,681,736	0.00	32,851,025
Environment and Natural Resources	188,972,401	(36,366,265)	13,178,751	(23,187,514)	(160.51)	165,784,887
Clean Water Mgmt. Trust Fund	100,000,000	(88,750,000)	0	(88,750,000)	0.00	11,250,000
Labor	16,842,679	(1,005,792)	0	(1,005,792)	(9.00)	15,836,887
NC Biotechnology Center	19,501,900	(1,950,190)	0	(1,950,190)	0.00	17,551,710
Rural Economic Development Center	22,640,814	(2,264,085)	5,000,000	2,735,915	0.00	25,376,729
Wildlife Resources Commission	0	17,221,179	778,821	18,000,000	0.00	18,000,000
Total Natural & Economic Resources	479,788,478	(122,781,459)	45,957,423	(76,824,036)	(196.51)	402,964,442
<u>General Government</u>						
Administration	69,700,026	(5,251,083)	0	(5,251,083)	(83.84)	64,448,943
Auditor	13,063,656	(1,206,082)	0	(1,206,082)	(13.00)	11,857,574
Cultural Resources	72,664,633	(8,639,776)	0	(8,639,776)	(97.50)	64,024,857
Cultural Resources - Roanoke Island Comm.	2,406,982	(601,746)	0	(601,746)	0.00	1,805,236
General Assembly	54,593,047	(8,993,377)	7,572,506	(1,420,871)	(9.00)	53,172,176
Governor	6,189,478	(1,448,321)	0	(1,448,321)	0.00	4,741,157
Housing Finance Agency	13,877,996	(4,204,945)	0	(4,204,945)	0.00	9,673,051
Insurance	33,458,756	2,935,165	0	2,935,165	(3.00)	36,393,921
Insurance - Worker's Compensation Fund	4,500,000	(706,000)	(1,500,000)	(2,206,000)	0.00	2,294,000
Lieutenant Governor	954,868	(172,225)	0	(172,225)	(1.00)	782,643
Office of Administrative Hearings	4,328,822	(186,564)	0	(186,564)	(2.00)	4,142,258
Revenue	88,370,399	(10,170,861)	0	(10,170,861)	(106.00)	78,199,538
Secretary of State	11,076,972	(422,409)	0	(422,409)	(4.00)	10,654,563
State Board of Elections	6,189,011	(1,002,408)	0	(1,002,408)	(14.00)	5,186,603
State Budget and Management (OSBM)	6,963,796	(1,115,133)	0	(1,115,133)	(6.00)	5,848,663
OSBM - Special Appropriations	5,934,311	(5,493,699)	1,500,000	(3,993,699)	(13.00)	1,940,612
State Controller	32,517,077	(3,539,584)	(608,536)	(4,148,120)	(18.50)	28,368,957
Treasurer - Operations	10,538,203	(3,881,172)	0	(3,881,172)	(36.00)	6,657,031
Treasurer - Fire/Rescue Retirement	17,812,114	0	0	0	0.00	17,812,114
Total General Government	455,140,147	(54,100,220)	6,963,970	(47,136,250)	(406.84)	408,003,897

SUMMARY OF GENERAL FUND APPROPRIATIONS						
2011 Legislative Session: Fiscal Year 2011-12						
		Legislative Adjustments				Revised
	Continuation Budget	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	Appropriation 2011-12
<u>Debt Service and Statewide Reserves</u>						
Debt Service						
Interest / Redemption	705,905,183	(16,947,995)	0	(16,947,995)	0.00	688,957,188
Federal Reimbursement	1,616,380	0	0	0	0.00	1,616,380
Subtotal Debt Service	707,521,563	(16,947,995)	0	(16,947,995)	0.00	690,573,568
Statewide Reserves						
Contingency and Emergency Fund	5,000,000	0	0	0		5,000,000
State Retirement System Contributions	0	248,100,000		248,100,000		248,100,000
Judicial Retirement System Contribution	0	6,800,000	0	6,800,000		6,800,000
Firemen & Rescue Squad Workers Pension Fund		4,318,042	0	4,318,042		4,318,042
National Guard Pension Fund		0	0	0		0
State Health Plan	0	7,119,541		7,119,541		7,119,541
Information Technology Fund	7,840,000	(1,537,574)	(1,844,284)	(3,381,858)	(3.00)	4,458,142
Job Development Investment Grants (JDIG)	27,400,000	0	(12,000,000)	(12,000,000)		15,400,000
Continuation Review Reserve						
Review of Compensation Plans			2,000,000	2,000,000		2,000,000
Automated Fraud Detection Development			1,000,000	1,000,000		1,000,000
Controller- Fraud Detection Development			500,000	500,000		500,000
Severance Expenditure Reserve			69,000,000	69,000,000		69,000,000
Subtotal Statewide Reserves	40,240,000	264,800,009	58,655,716	323,455,725	(3.00)	363,695,725
Total Reserves and Debt Service	747,761,563	247,852,014	58,655,716	306,507,730	(3.00)	1,054,269,293
Total General Fund for Operations	20,820,687,612	(1,071,235,595)	(70,835,824)	(1,142,071,419)	335.64	19,678,616,193
<u>Capital Improvements</u>						
Water Resources Development Projects	0	0	4,535,000	4,535,000	0.00	4,535,000
Total Capital Improvements	0	0	4,535,000	4,535,000	0.00	4,535,000
Total General Fund Budget	20,820,687,612	(1,071,235,595)	(66,300,824)	(1,137,536,419)	335.64	19,683,151,193

SUMMARY OF GENERAL FUND APPROPRIATIONS

2011 Legislative Session: Fiscal Year 2012-13

		Legislative Adjustments				Revised
	Continuation Budget	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	Appropriation 2012-13
<u>Education</u>						
Community Colleges	1,102,475,214	(117,475,214)	0	(117,475,214)	(25.00)	985,000,000
Public Education	7,923,543,951	(344,504,704)	(134,917,147)	(479,421,851)	(99.50)	7,444,122,100
University System	2,886,730,386	(310,045,806)	(25,011,882)	(335,057,688)	205.80	2,551,672,698
Total Education	11,912,749,551	(772,025,724)	(159,929,029)	(931,954,753)	81.30	10,980,794,798
<u>Health and Human Services</u>						
Central Management and Support	70,229,335	(25,651,348)	0	(25,651,348)	(288.00)	44,577,987
Aging and Adult Services	37,419,667	(400,000)	0	(400,000)	0.00	37,019,667
Blind and Deaf / Hard of Hearing Services	8,372,886	0	0	0	0.00	8,372,886
Child Development	261,759,600	10,695,977	(6,352,644)	4,343,333	0.00	266,102,933
Health Service Regulation	17,925,590	0	(1,792,559)	(1,792,559)	0.00	16,133,031
Medical Assistance	3,314,539,538	(382,523,695)	(24,739,541)	(407,263,236)	(40.00)	2,907,276,302
Mental Health, Dev. Disabilities and Sub. Abuse	723,675,112	(12,962,880)	0	(12,962,880)	(7.00)	710,712,232
NC Health Choice	88,373,806	(4,655,941)	0	(4,655,941)	0.00	83,717,865
Public Health	161,930,589	(4,391,755)	0	(4,391,755)	(25.00)	157,538,834
Social Services	202,245,063	(16,061,995)	0	(16,061,995)	(2.00)	186,183,068
Vocational Rehabilitation	41,654,578	(2,058,522)	(2,067,928)	(4,126,450)	(5.00)	37,528,128
Total Health and Human Services	4,928,125,764	(438,010,159)	(34,952,672)	(472,962,831)	(367.00)	4,455,162,933
<u>Justice and Public Safety</u>						
Correction	1,418,867,332	(59,302,927)	(11,153,612)	(70,456,539)	(439.00)	1,348,410,793
Crime Control & Public Safety	34,175,427	180,989,091	0	180,989,091	2,310.50	215,164,518
Judicial Department	477,189,575	(40,367,468)	(1,681,000)	(42,048,468)	(388.50)	435,141,107
Judicial - Indigent Defense	122,770,246	(10,021,513)	0	(10,021,513)	(11.40)	112,748,733
Justice	89,670,944	(8,806,806)	0	(8,806,806)	(105.31)	80,864,138
Juvenile Justice & Delinquency Prevention	151,295,187	(20,154,622)	0	(20,154,622)	(278.60)	131,140,565
Total Justice and Public Safety	2,293,968,711	42,335,755	(12,834,612)	29,501,143	1,087.69	2,323,469,854

SUMMARY OF GENERAL FUND APPROPRIATIONS

2011 Legislative Session: Fiscal Year 2012-13

		Legislative Adjustments				Revised
	Continuation Budget	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	Appropriation 2012-13
<u>Natural and Economic Resources</u>						
Agriculture and Consumer Services	61,754,014	(1,555,380)	2,000,000	444,620	(14.00)	62,198,634
Commerce	38,907,381	(5,656,918)	0	(5,656,918)	(21.00)	33,250,463
Commerce - State Aid	31,169,289	(1,717,305)	700,000	(1,017,305)	0.00	30,151,984
Environment and Natural Resources	188,972,401	(34,824,296)	(6,000,000)	(40,824,296)	(296.47)	148,148,105
Clean Water Mgmt. Trust Fund	100,000,000	(88,750,000)	0	(88,750,000)	0.00	11,250,000
Labor	16,842,679	(1,005,792)	0	(1,005,792)	(9.00)	15,836,887
NC Biotechnology Center	19,501,900	(1,950,190)	0	(1,950,190)	0.00	17,551,710
Rural Economic Development Center	22,640,814	(2,264,085)	5,000,000	2,735,915	0.00	25,376,729
Wildlife Resources Commission	0	17,221,179	0	17,221,179	0.00	17,221,179
Total Natural and Economic Resources	479,788,478	(120,502,787)	1,700,000	(118,802,787)	(340.47)	360,985,691
<u>General Government</u>						
Administration	69,700,026	(3,346,953)	0	(3,346,953)	(83.84)	66,353,073
Auditor	13,063,656	(2,387,621)	0	(2,387,621)	(26.00)	10,676,035
Cultural Resources	72,664,633	(10,967,632)	0	(10,967,632)	(114.00)	61,697,001
Cultural Resources - Roanoke Island Comm.	2,406,982	(1,203,491)	0	(1,203,491)	0.00	1,203,491
General Assembly	54,593,047	(7,488,839)	3,000,000	(4,488,839)	(47.75)	50,104,208
Governor	6,189,478	(1,448,321)	0	(1,448,321)	0.00	4,741,157
Housing Finance Agency	13,877,996	(4,204,945)	0	(4,204,945)	0.00	9,673,051
Insurance	33,458,756	2,935,165	0	2,935,165	(3.00)	36,393,921
Insurance - Worker's Compensation Fund	4,500,000	(1,876,346)	0	(1,876,346)	0.00	2,623,654
Lieutenant Governor	954,868	(259,544)	0	(259,544)	(1.00)	695,324
Office of Administrative Hearings	4,328,822	(186,564)	0	(186,564)	(2.00)	4,142,258
Revenue	88,370,399	(10,170,861)	0	(10,170,861)	(106.00)	78,199,538
Secretary of State	11,076,972	(422,409)	0	(422,409)	(4.00)	10,654,563
State Board of Elections	6,189,011	(1,062,408)	0	(1,062,408)	(14.00)	5,126,603
State Budget and Management (OSBM)	6,963,796	(1,115,133)	0	(1,115,133)	(6.00)	5,848,663
OSBM - Special Appropriations	5,934,311	(5,493,699)	0	(5,493,699)	(13.00)	440,612
State Controller	32,517,077	(3,539,584)	(608,536)	(4,148,120)	(18.50)	28,368,957
Treasurer - Operations	10,538,203	(3,916,453)	0	(3,916,453)	(36.00)	6,621,750
Treasurer - Fire/Rescue Retirement	17,812,114	0	0	0	0.00	17,812,114
Total General Government	455,140,147	(56,155,638)	2,391,464	(53,764,174)	(475.09)	401,375,973

SUMMARY OF GENERAL FUND APPROPRIATIONS

2011 Legislative Session: Fiscal Year 2012-13

		Legislative Adjustments				Revised
	Continuation Budget	Recurring Adjustments	Nonrecurring Adjustments	Net Changes	FTE Changes	Appropriation 2012-13
<u>Debt Service and Statewide Reserves</u>						
Debt Service:						
Interest / Redemption	705,905,183	54,079,791	0	54,079,791		759,984,974
Federal Reimbursement	1,616,380	0	0	0		1,616,380
Subtotal Debt Service	707,521,563	54,079,791	0	54,079,791	0.00	761,601,354
Statewide Reserves:						
Contingency and Emergency Fund	5,000,000	0	0	0		5,000,000
State Retirement System Contributions	0	336,000,000	0	336,000,000		336,000,000
Judicial Retirement System Contribution	0	7,800,000	0	7,800,000		7,800,000
Firemen & Rescue Squad Workers Pension Fund		5,366,928	0	5,366,928		5,366,928
National Guard Pension Fund		0	0	0		0
State Health Plan	0	102,151,104	0	102,151,104		102,151,104
Information Technology Fund	7,840,000	162,426	(1,844,284)	(1,681,858)	(3.00)	6,158,142
Job Development Investment Grants (JDIG)	27,400,000	0	0	0		27,400,000
Continuation Review Reserve			35,576,758	35,576,758		35,576,758
Compensation Adjustment, Performance Pay Reserve	0	121,105,840		121,105,840		121,105,840
Automated Fraud Detection Development			7,000,000	7,000,000		7,000,000
Controller- Fraud Detection Development			500,000	500,000		500,000
Subtotal Statewide Reserves	40,240,000	572,586,298	41,232,474	613,818,772	(3.00)	654,058,772
Total Reserves and Debt Service	747,761,563	626,666,089	41,232,474	667,898,563	(3.00)	1,415,660,126
Total General Fund for Operations	20,817,534,214	(717,692,464)	(162,392,375)	(880,084,839)	(16.57)	19,937,449,375
<u>Capital Improvements</u>						
Water Resources Development Projects	0	0	0	0	0.00	0
Total Capital Improvements	0	0	0	0	0.00	0
Total General Fund Budget	20,817,534,214	(717,692,464)	(162,392,375)	(880,084,839)	(13.57)	19,937,449,375

EDUCATION

Section F

Public Education

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$7,923,543,951		\$7,923,543,951	
Legislative Changes				
A. Technical Adjustments				
1 ADM Adjustment	\$55,882,651	R	\$143,087,414	R
Fully funds both years of average daily membership (ADM) growth for public schools, providing \$55.8 million in FY 2011-12 and \$143.1 million in FY 2012-13. This adjustment, which accounts for changes in multiple allotments, has traditionally been included in the continuation budget. (H.B. 584/S.B. 500)				
2 ADM Adjustment: Tax Credits for Children with Disabilities			(\$5,877,900)	R
Adjusts the FY 2012-13 ADM to reflect the estimated decrease in public school enrollment resulting from S.L. 2011-395, Tax Credits for Children with Disabilities. (S.L. 2011-395)				
3 Average Salary Adjustment	(\$21,838,817)	R	(\$22,040,287)	R
Adjusts several budget lines to account for the decrease in average salaries between FY 2009-10 and FY 2010-11. This adjustment has traditionally been included in the continuation budget. (H.B. 584/S.B. 500)				
B. Other Public School Funding Adjustments				
4 LEA Adjustment	(\$124,217,542)	R	(\$198,293,574)	R
Increases the LEA Adjustment reduction. The State Board of Education will distribute this reduction to all LEAs and charter schools on the basis of ADM. LEAs and charters will then be responsible for identifying budget reductions in order to meet their share of the LEA Adjustment. LEAs are expected to utilize federal EduJobs availability to minimize reducing position allotments. (S.L. 2011-145, Sec. 7.20)				
5 Class Size Reduction in Grades 1-3	\$61,697,942	R	\$62,767,803	R
Adds funding for 1,124 additional teaching positions in FY 2011-12 and 1,144 additional teaching positions in FY 2012-13 to reduce the classroom teacher allotment ratios for grades 1-3 from 1 teacher per 18 students to 1 teacher per 17 students in both years of the biennium. A related provision, Section 7.1B, expresses the intent of the General Assembly to add additional teachers as funds become available with a goal of reducing the teacher allotment ratio in grades 1-3 to 1 teacher for every 15 students. (S.L. 2011-145, Sec. 7.1B)				

6 Education Reform Studies

Provides nonrecurring funding for studies of third grade literacy programs and ways to reduce the need for remedial or developmental education in the State's higher education institutions. Funding will be available to hire an outside consultant to examine these topics. (S.L. 2011-145, Sec. 7.1)

\$200,000 NR

7 Testing

Eliminates funding for four End of Course tests eliminated by S.L. 2011-8 and not required by federal law. Those tests are United States History, Civics and Economics, Algebra II, and Physical Science. The remaining testing funds are then reduced a further 10%, leaving \$8.8 million available for testing in each year of the biennium. (H.B. 48/S.B. 114)

(\$2,725,029) R (\$2,729,677) R

8 Dropout Prevention Grants

Eliminates funding for the Dropout Prevention Grant program.

(\$13,290,683) R (\$13,290,683) R

9 Student Diagnostics

Eliminates funding for the Student Diagnostics pilot program.

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

10 Learn & Earn Online

Eliminates funding for Learn & Earn Online courses provided through the UNC system.

(\$4,875,000) R (\$4,875,000) R

11 Noninstructional Support Personnel

Reduces this allotment, which supports clerical, janitorial, substitute teachers, and other personnel, by 15% in both years of the biennium. \$337.1 million will remain in this allotment in FY 2011-12 and \$340.3 million will remain in FY 2012-13. (H.B. 584/S.B. 500)

(\$59,497,471) R (\$60,054,792) R

12 Textbooks

Reduces funding for textbooks. \$23.4 million will remain in this allotment in FY 2011-12 and \$27.2 million will remain available in FY 2012-13. (H.B. 584/S.B. 500)

(\$13,000,000) R (\$13,000,000) R
(\$79,166,861) NR (\$76,500,000) NR**13 Instructional Supplies**

Reduces funding for this allotment by approximately 46%. \$49.3 million will remain in this allotment in FY 2011-12 and \$50.2 million will remain available in FY 2012-13.

(\$3,450,000) R (\$3,450,000) R
(\$38,520,358) NR (\$38,417,147) NR

14 Central Office Administration

(\$17,211,294) R (\$17,254,494) R

Reduces the allotment to LEAs for the salaries and benefits of central office staff by 16%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. \$90.4 million will remain to support these local staff in FY 2011-12 and \$90.5 million will remain available in FY 2012-13. (H.B. 584/S.B. 500)

15 School Building Administration

(\$22,193,080) R (\$22,403,290) R

Reduces the funding for assistant principal months of employment by approximately 18.8%. This reduction does not reduce any guaranteed principal positions. \$304.4 million will remain in this allotment in FY 2011-12 and \$306.6 million will remain available in FY 2012-13. (H.B. 584/S.B. 500)

16 School Building Administration Position Conversion

(\$7,700,000) R (\$7,700,000) R

Reduces funding for this allotment based on a modification of the allowable conversion of assistant principal and principal months of employment. Currently, LEAs are allowed to "cash-out" their allotted SBA months of employment at the State-average salary and benefits, and then use the money for other purposes. This section would continue to allow conversions, but only at the equivalent amount for a beginning Principal III for converted principal positions, and the equivalent amount for a beginning assistant principal for cashed-out assistant principal positions. (S.L. 2011-145, Sec. 7.14)

17 Instructional Support

(\$22,934,278) R (\$23,149,479) R

Reduces this allotment, which supports guidance counselors, social workers, media specialists, and other miscellaneous personnel, by 5%. \$435.8 million will remain in this allotment in FY 2011-12 and \$439.9 million will remain available in FY 2012-13. (H.B. 584/S.B. 500)

18 Transportation

(\$10,340,115) R (\$10,442,266) R

Reduces funding for the allotment, which supports the salaries of transportation personnel as well as the maintenance of yellow buses by 2.5%. \$403.3 million will remain in this allotment in FY 2011-12 and \$407.2 million will remain available in FY 2012-13. (H.B. 584/S.B. 500)

19 School Bus Replacement

(\$20,000,000) NR

Provides full funding for school bus replacement in FY 2011-12, and reduces the funding on a nonrecurring basis in FY 2012-13. The Department of Public Instruction shall utilize these funds only to support financing payments on previously purchased buses or for finance payments for new replacement buses purchased over the biennium.

20 Mentoring

(\$9,214,190) R (\$9,214,190) R

Eliminates funding for this allotment. School districts may use State and other funding sources to provide mentoring services for beginning teachers.

21 School Technology Fund

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

Eliminates General Fund support for this purpose. An additional \$18.0 million for the Fund will remain available from the proceeds of the Civil Penalty and Forfeiture Fund. (H.B. 584/S.B. 500)

22 Staff Development

(\$12,565,063) R (\$12,626,995) R

Eliminates funding for this allotment. School districts may use State and other funding sources to support professional development. (H.B. 584/S.B. 500)

23 Uniform Education Reporting System (UERS)

(\$2,101,213) R (\$2,101,213) R

Reduces funding for the Uniform Education Reporting System (UERS) and the related NC WISE system as it moves into an operations and maintenance phase. This adjustment will leave \$10.3 million in annual appropriations available for UERS operations. (H.B. 584/S.B. 500; S.L. 2011-145, Sec. 7.7)

24 More at Four Funding Reduction

(\$16,000,000) R (\$16,000,000) R

Reduces More at Four General Fund support by \$16 million, or approximately 20%.

25 More at Four Transfer

(\$65,011,651) R (\$65,011,651) R

Transfers the remaining \$65 million in General Fund appropriations to the Department of Health and Human Service's Division of Child Development (DCD) to provide a dedicated high-quality pre-K program within its Child Care Subsidy program. In addition, Section 5.4 of the budget bill redirects \$63 million in Lottery funding for the program to DCD. A related provision in Section 10.7 of the bill details the particulars of the transfer. (S.L. 2011-145, Secs. 5.4 and 10.7)

26 Liability Insurance for Public School Personnel

\$3,700,000 R \$3,700,000 R

Establishes a single State-funded liability insurance policy for all North Carolina public schools employees. The State Board of Education shall use funding provided to establish this policy with the North Carolina Department of Public Instruction serving as the master policy holder.

27 JOBS Commission Schools

(\$200,000) R (\$200,000) R

Eliminates planning funding for these two schools which will open in the 2011-12 school year.

28 Learn and Earn Early College High Schools

\$200,000 R

\$200,000 R

Transfers planning funding for the two schools recommended by the JOBS Commission. These schools shall be eligible for Learn and Earn Early College allotment funding.

C. Pass-through Funds**29 Teacher Cadet**

(\$340,000) R

(\$340,000) R

Eliminates State support for this program. (H.B. 584/S.B. 500)

30 Science Olympiad

(\$127,500) R

(\$127,500) R

Eliminates State support for this program. (H.B. 584/S.B. 500)

31 Kids Voting

(\$50,000) R

(\$50,000) R

Eliminates State support for this program. (H.B. 584/S.B. 500)

32 NC Science, Math and Technical Education Center

(\$100,000) R

(\$100,000) R

Eliminates State support for this program. (H.B. 584/S.B. 500)

33 Tarheel Challenge Academy

Provides funds for the phase one construction of the National Guard Tarheel Challenge Academy site in Badin, NC.

\$250,000 NR

34 Teaching Fellows Fund

(\$210,000) R

(\$3,475,000) R

Reduces the General Fund appropriation for the Teaching Fellows Fund. This reduction reflects a decrease in funds available for administrative costs associated with the Teaching Fellows Program in FY 2011-12 and FY 2012-13. Additionally, funds are reduced in FY 2012-13 to phase out support for this program. It is the intent of the General Assembly to support its obligations to the 2011-12 class of Teaching Fellows and prior classes until the State's scholarship commitment is completed. (S.L. 2011-145, Sec. 7.24)

D. Department of Public Instruction**35 DPI Curriculum Division**

(\$457,690) R

(\$457,690) R

Eliminates 5.5 State-funded positions working on curriculum issues. Of these, 3.5 State-funded positions are eliminated from the Curriculum, Instruction & Technology section, and 2.0 State-funded positions are eliminated from the Career and Technology Education (CTE) section.

-5.50

-5.50

36 DPI Technology Services

(\$2,712,988)	R	(\$2,712,988)	R
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Eliminates 30.0 State-funded positions from DPI's Technology Services section. 102.85 positions (70.72 State-funded) will remain in this section.

-30.00	-30.00
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37 DPI Communications

(\$246,586)	R	(\$246,586)	R
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Eliminates 4.0 State-funded positions in the Communications section. 15.0 positions (10.8 State-funded) will remain in this section.

-4.00	-4.00
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38 Learn and Earn Administration

(\$139,050)	R	(\$139,050)	R
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Eliminates the State-funded position at DPI supporting Learn & Earn Online.

-1.00	-1.00
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39 Governor's Education Cabinet

(\$206,063)	R	(\$206,063)	R
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Eliminates funding for the 2.0 positions that DPI provides to support the NC Education Cabinet housed in the Office of the Governor.

-2.00	-2.00
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40 NC Professional Teaching Standards Commission

(\$235,646)	R	(\$235,646)	R
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Eliminates the State funding and positions supporting the NC Professional Teaching Standards Commission.

-2.00	-2.00
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41 Teacher Academy

(\$4,762,874)	R	(\$4,762,874)	R
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Eliminates State funding for the Teacher Academy, a provider of professional development services for teachers. (H.B. 584/S.B. 500)

-14.00	-14.00
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42 North Carolina Center for the Advancement of Teaching (NCCAT)

(\$3,000,000)	R	(\$3,000,000)	R
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Reduces State support for the operations of this teacher professional development provider. (H.B. 584/S.B. 500)

-40.00	-40.00
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43 Connectivity

(\$650,000)	R	(\$650,000)	R
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Eliminates the \$350,000 annual transfer from Connectivity to support the e-Learning Portal. Also eliminates the \$300,000 annual transfer from Connectivity to support the evaluation of the Connectivity initiative. (S.L. 2011-145, Sec. 7.10)

44 Governor's Schools

(\$849,588)	R
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Eliminates State funding for the Governor's Schools. A related provision in Section 7.9 provides the State Board with the discretion to make the program receipt-supported beginning with the summer 2012 program. Funding remains available to provide the program in summer 2011. (S.L. 2011-145, Sec. 7.9)

45 Residential Schools for the Deaf and Blind

(\$1,691,445) R

(\$7,191,445) R

Eliminates State funding for the superintendent of residential schools position within DPI and reduces the operating budget for Residential Schools for the Deaf and Blind by approximately 5%. For FY 2012-13, DPI must close one of the three residential schools. A related provision, Section 7.25, directs DPI to report to the Joint Education Oversight Committee of the General Assembly the school slated for closure and the Department's plan for consolidating the programs with those at the two remaining schools. (H.B. 584/S.B. 500; S.L. 2011-145, Sec. 7.25)

-1.00

-1.00

Total Legislative Changes

(\$341,814,675) R

(\$344,504,704) R

(\$117,237,219) NR

(\$134,917,147) NR

Total Position Changes

-99.50

-99.50

Revised Budget**\$7,464,492,057****\$7,444,122,100**

Special Provisions

2011 Session: HB 22

Department: Public Education

Section: 13

Title: TECHNICAL CHANGE: CAREER AND COLLEGE PROMISE

Summary Amends S.L. 2011-145, Sec. 7.1A, Appropriations Act of 2011, to ensure that community colleges shall generate budget FTE upon the commencement of the program effective date, and makes conforming changes to college transfer certificates language to ensure consistency across all General Statute references.

Section: 14

Title: BUDGET CHANGE: ELIMINATION OF REPORTING REQUIREMENTS

Summary Amends S.L. 2011-145, Sec. 7.13, Appropriations Act of 2011, to repeal Subsections (a) through (u) and Subsection (ee), restoring School Improvement Plans and personal education plans for students who have been placed at risk of academic failure.

Section: 15

Title: BUDGET CHANGE: TRANSFER OF FEDERAL AGRICULTURAL EDUCATION FUNDS

Summary Rewrites S.L. 2011-145, Sec. 7.15, Appropriations Act of 2011, to require that, out of funds provided to DPI, \$90,500 be transferred to the Agricultural Education and FFA Program housed in the Department of Agricultural and Extension Education at North Carolina State University.

Section: 16

Title: TECHNICAL CHANGE: PERFORMANCE-BASED REDUCTIONS IN FORCE

Summary Amends S.L. 2011-145, Sec. 7.23, Appropriations Act of 2011, clarifying that the LEA RIF policy applies to certified school employees.

Section: 17

Title: TECHNICAL CHANGE: REPEAL STATUTES OF ELIMINATED PROGRAMS

Summary Amends S.L. 2011-145, Appropriations Act of 2011, creating two new sections repealing statutes related to two programs eliminated by S.L. 2011-145, Appropriations Act of 2011.

Section 7.31, TEACHER ACADEMY STATUTES REPEALED, repeals G.S. 115C-296.4, G.S. 120-123.(63), and G.S. 126-5.(c1).(26).

Section 7.32, PROFESSIONAL TEACHING STANDARDS COMMISSION STATUTES REPEALED repeals G.S. 115C-295.1 and G.S. 115C-295.2. (S.B. 593)

2011 Session: HB 200

Department: Public Education

Section: 7.1

Title: **EDUCATION REFORM IN NORTH CAROLINA**

Summary Requires the Joint Education Oversight Committee to study (i) literacy and (ii) ways to reduce the need for remedial or developmental education in the State's higher education institutions. The Committee shall report to the 2012 Regular Session of the 2011 General Assembly with a comprehensive plan, including implementation dates and schedules. The Committee may use appropriated funds to hire one or more external consultants to complete these studies.

Section: 7.1A

Title: **CAREER AND COLLEGE PROMISE**

Summary Subsections (a) and (b) establish the Career and College Promise program and consolidate previously existing high school transition programs. All previously existing high school transition programs, including Huskins, Concurrent Enrollment, Cooperative and Innovative High Schools, Learn and Earn, and Learn and Earn Online are consolidated and replaced by Career and College Promise.

The Career and College Promise program creates three pathways through which high school students can access and receive credit for college coursework:

- 1) Cooperative innovative high school programs -- high schools, commonly referred to as Learn & Earn schools, that are physically located at or partnered with a higher education institution.
- 2) Academic transition pathways for qualified junior and senior high school students leading to a career technical education certificate or diploma.
- 3) College transfer certificates requiring the successful completion of 30 semester credit hours transfer courses for junior and senior high school students.

Subsection (d) requires the North Carolina Community College System and the Department of Public Instruction (DPI) to jointly develop and implement a program accountability plan to evaluate the program.

Subsection (e) establishes that community colleges shall generate budget FTE for instruction provided through Career and College Promise.

Subsections (f) through (h) make conforming changes to the General Statutes.

Subsection (i) requires the North Carolina Community College System, University of North Carolina General Administration, and the North Carolina Independent Colleges and Universities to develop a plan for articulation of a college transfer certificate.

Subsection (j) modifies Part 9 of Article 16 of Chapter 115C of the General Statutes to redefine Cooperative Innovative High School Programs. (H.B. 584/S.B. 500)

(S.L. 2011-391, Sec. 13, 2011 Budget Technical Corrections, amends this provision to ensure that community colleges shall generate budget FTE upon the commencement of the program effective date, and makes conforming changes to the college transfer certificates language to ensure consistency across all General Statute references.)

(S.L. 2011-419, Sec. 2, Breweries/Comm. Coll/Supp. Fund. Clarified, amends G.S. 115D-20(4), as amended by Sec. 7.1A(h), to permit high school students 16 and older to take certain noncredit courses, subject to the rules of the State Board of Community Colleges.)

Section: 7.1B

Title: **CLASS SIZE REDUCTION FOR GRADES 1-3**

Summary Establishes the General Assembly's intent to reduce class size in grades 1 through 3 to a class size allotment not exceeding 1:15, as funds become available.

Section: 7.2

Title: **FUNDS FOR CHILDREN WITH DISABILITIES**

Summary Provides \$3,585.88 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). (H.B. 584/S.B. 500)

Section: 7.3

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 2011-12 school year. (H.B. 584/S.B. 500)

Section: 7.4

Title: **USE OF SUPPLEMENTAL FUNDING IN LOW-WEALTH COUNTIES**

Summary Continues the formula for determining eligibility for and distribution of funds appropriated in FY 2011-12 and FY 2012-13 for supplemental funding for public schools in low-wealth counties. (H.B. 584/S.B. 500)

Section: 7.5

Title: **LITIGATION RESERVE FUNDS**

Summary Permits the State Board of Education to expend up to \$500,000 each year for FY 2011-12 and FY 2012-13 from unexpended funds for certified employees' salaries to pay expenses related to litigation. (H.B. 584/S.B. 500)

Section: 7.6

Title: **UNIFORM EDUCATION REPORTING SYSTEM (UERS) FUNDS**

Summary Directs that funds appropriated for UERS shall not revert at the end of FY 2010-11. (H.B. 584/S.B. 500)

Section: 7.7

Title: **FOCUSED EDUCATION REFORM PROGRAM FUNDS DO NOT REVERT**

Summary Directs that funds appropriated for the Focused Education Reform Pilot Program shall not revert at the end of FY 2010-11. (H.B. 584/S.B. 500)

Section: 7.8

Title: **DISADVANTAGED STUDENT SUPPLEMENTAL FUNDING (DSSF)**

Summary Continues the formula for the DSSF allotment. The provision allots the dollar equivalent of a teaching position (including benefits) based on the eligible DSSF population as defined by the State Board of Education and the difference between an allotment ratio of 1:21 and a lower proposed ratio (depending on an LEA's wealth, per the Low Wealth formula). Additionally, the provision holds the original 16 pilot LEAs harmless; these LEAs may not receive less than their FY 2006-07 allotment. Finally, the provision removes the requirement that LEAs submit a plan for DSSF expenditures.

Section: 7.9

Title: **TUITION CHARGE FOR GOVERNOR'S SCHOOL**

Summary Amends G.S. 115C-12(36) to allow the State Board of Education to implement a tuition charge for students attending the Governor's School of North Carolina to make the program fully receipt-supported.

Section: 7.10

Title: **SCHOOL CONNECTIVITY FUNDS**

Summary Subsection (a) amends Section 7.9.(b) of S.L. 2010-31, Appropriations Act of 2010, to stop the transfer of funds from the School Connectivity Initiative to the Office of the Governor for the education E-learning portal after FY 2010-11.

Subsection (b) amends Section 7.6.(a) of S.L. 2008-107, Modify Appropriations Act of 2007, as modified by Section 7.12.(b) of S.L. 2009-451, Appropriations Act of 2009, to end the transfer of funds from the School Connectivity Initiative to the Friday Institute at North Carolina State University after June 30, 2011.

Section: 7.12

Title: **SMALL SCHOOL SYSTEM SUPPLEMENTAL FUNDING**

Summary Continues the formula for determining eligibility for and distribution of funds appropriated in FY 2011-12 and FY 2012-13 for supplemental funding for public schools in small counties (as determined by ADM). (H.B. 584/S.B. 500)

(S.L. 2011-419, Sec. 3, Breweries/Comm. Coll/Supp. Fund. Clarified, authorizes the State Board of Education to provide Small School System Supplemental Funding in FY 2011-12 to Cherokee County. This amount may not exceed Cherokee County's FY 2010-11 allotment.)

Section: 7.13

Title: **ELIMINATION OF REPORTING REQUIREMENTS**

Summary Subsections (a) through (v) repeal the School Improvement Plan and make conforming modifications and repeals to various sections within G.S. 115C and G.S. 143B.

Subsections (w) through (z) repeal the Local Safe School Plan and make conforming modifications and repeals to various sections within G.S. 115C.

Subsections (aa) through (cc) repeal the Local School System Technology Plan and make conforming modifications and repeals to various sections within G.S. 115C.

Subsection (dd) repeals Section 7.61.(b) of S.L. 2005-276, 2005 Appropriations Act, to eliminate the annual reporting requirement related to LEA expenditure of the At-Risk allotment.

Subsection (ee) repeals G.S. 115C-105.41 to eliminate the requirement that LEAs prepare personal education plans for students who have been placed at risk of academic failure. (H.B. 829)

(S.L. 2011-391, Sec. 14, 2011 Budget Technical Corrections, repeals subsections (a) through (u) and subsection (ee) of Section 7.13 of S.L. 2011-145, Appropriations Act of 2011, to restore School Improvement Plans and personal education plans for students who have been placed at risk of academic failure.)

Section: 7.14

Title: **SCHOOL BUILDING ADMINISTRATION**

Summary Subsection (a) establishes that, for schools created after July 1, 2011, a school must have at least 100 students in ADM to be entitled to 12 months of employment for a principal. Schools created before July 1, 2011 can have 100 students or 7 teachers in order to receive 12 months of employment for a principal.

Subsection (b) establishes that if LEAs choose to transfer funds from the school building administration allotment for any other purpose, the salary transferred will be based on the first step of the principal or assistant principal salary schedule, as appropriate.

Section: 7.15

Title: **TRANSFER OF FEDERAL AGRICULTURAL FUNDS**

Summary Requires the State Board of Education to transfer a prorated share of funds from all Career and Technical Education funds available for State-level usage to the Agricultural Education and FFA Program housed in the Department of Agricultural and Extension Education at North Carolina State University.

(S.L. 2011-391, Sec. 15, 2011 Budget Technical Corrections, rewrites Section 7.15 of S.L. 2011-145, Appropriations Act of 2011, to require that, out of funds provided to DPI, \$90,500 be transferred to the Agricultural Education and FFA Program housed in the Department of Agricultural and Extension Education at North Carolina State University.)

Section: 7.17

Title: **SCHOOL CALENDAR PILOT PROGRAM**

Summary Extends the school calendar pilot program in Wilkes County Schools, allowing Wilkes County Schools to operate a calendar with either 185 instructional days or 1,025 hours of instruction for a third consecutive school year in FY 2011-12.

The provision adds Montgomery County Schools and Stanly County schools to the school calendar pilot program, providing these LEAs the flexibility to operate a calendar with either 185 instructional days or 1,025 hours of instruction in FY 2011-12.

The State Board of Education shall report on this program to the Joint Legislative Education Oversight Committee by March 15, 2012.

Subsection (b) allows the State Board of Education to grant a pilot school system a waiver to use up to five instructional days or an equivalent number of instructional hours as teacher workdays if the State Board of Education finds that such a waiver will enhance student performance. (H.B. 553)

Section: 7.19

Title: **BUDGET REDUCTIONS/DEPARTMENT OF PUBLIC INSTRUCTION**

Summary Subsection (a) allows DPI to reorganize only after consulting with the Office of State Budget and Management (OSBM) and the Fiscal Research Division, and reporting to the Joint Legislative Commission on Governmental Operations.

Subsection (b) prohibits DPI from increasing the number of State-funded positions in any DPI divisions identified for reductions.

Subsection (c) prohibits DPI from reducing funding or positions related to the Positive Behavioral Support program.

Section: 7.20

Title: **LEA BUDGET ADJUSTMENT**

Summary Outlines the requirements for identifying and reporting the allotments reduced pursuant to the "LEA Reduction" made in item #3 on page F-1 of the Money Report for S.L. 2011-381. (H.B. 584/S.B. 500)

Section: 7.21

Title: **LEA BUDGETARY FLEXIBILITY**

Summary Subsection (a) authorizes the State Board of Education to extend emergency rules granting maximum flexibility to LEAs regarding the expenditure of State funds. The rules shall not permit (i) the transfer of funds into central office administration, (ii) the transfer of funds from the classroom teachers allotment to any allotment other than teacher assistants allotment, or (iii) the transfer of funds from the teacher assistants allotment to any allotment other than the classroom teachers allotment.

Subsection (b) encourages LEAs to make every effort to reduce spending with the goal of protecting classroom services. For FY 2011-12 and FY 2012-13, required teacher-to-student ratios are to remain unchanged in grades K-3, but LEAs will have maximum flexibility in their use of allotted teacher positions in grades 4-12. (H.B. 584/S.B. 500)

Section: 7.22

Title: **NORTH CAROLINA VIRTUAL PUBLIC SCHOOLS**

Summary Subsection (a) establishes that the North Carolina Virtual Public School (NCVPS) program reports to the State Board of Education.

Subsection (b) requires the Director of NCVPS to ensure that students residing in rural and low-wealth LEAs have access to e-learning opportunities to expand available educational opportunities.

Subsection (c) repeals Section 7.4 of S.L. 2010-31, Appropriations Act of 2010, which had previously established a funding formula for NCVPS for FY 2010-11.

Subsection (d) implements a new allotment formula for NCVPS. The new formula will transfer funds from LEAs' and charter schools' funding for classroom teachers based on each LEA and charter school's projected enrollment in NCVPS. An amount equal to 75% of the projected cost will be transferred to NCVPS at the beginning of the school year. No later than February 21 of each year, the State Board of Education shall transfer remaining amounts, if necessary, based on actual NCVPS enrollment.

Subsection (e) requires the State Board of Education to consider recommendations from the eLearning Commission and NCVPS Advisory Board when establishing the per course costs of NCVPS.

Subsection (f) requires the State Board of Education to establish a separate per student tuition for out-of-state, home-schooled, and private school students.

Subsection (g) directs NCVPS to develop a plan to generate revenue from the sale of courses to out-of-state educational entities. NCVPS shall submit its report to the State Board of Education by September 15, 2011.

Subsection (h) requires the Director of NCVPS to submit an annual report to the State Board of Education no later than December 1 of each year.

Subsection (i) requires the State Board of Education to reduce each LEA or charter school's allotments on the basis of ADM in grades 6-12 to provide up to \$2,866,923 for the State-level operations and administration of NCVPS for FY 2011-12. This amount will be adjusted annually based on the percentage change in NCVPS enrollment.

Subsection (j) requires the State Board of Education to reduce each LEA or charter school's allotments on the basis of ADM in grades 6-12 to provide \$2,000,000 in order to create a non-reverting NCVPS enrollment reserve. The NCVPS enrollment reserve will be used to cover instructional costs of LEAs or charter schools that exceed projected NCVPS enrollment. The State Board of Education shall make adjustments to LEA and charter school allotments in future years to ensure that the reserve has \$2,000,000.

Subsection (k) limits the State Board of Education's available resources for NCVPS instructional costs to the funds generated from the funding formula, and funds available in the NCVPS enrollment reserve.

Subsection (l) amends G.S. 66-58.(c) to provide NCVPS an exemption to the Umstead Act, allowing NCVPS to sell courses. (H.B. 584/S.B. 500, H.B. 856)

Section: 7.23

Title: **PERFORMANCE-BASED REDUCTIONS IN FORCE**

Summary Subsection (a) requires LEAs to develop a Reduction in Force (RIF) policy that considers first the structural and organizational needs of the LEA to determine which types of positions to eliminate. After determining which employees in similar positions will be subject to a RIF, the LEA must consider work performance.

Subsection (b) amends G.S. 115C-325(e)(2) to delete requirements that career status employees be given priority placement on a re-hire list.

(S.L. 2011-391, Sec. 16, 2011 Budget Technical Corrections, amends this provision to clarify that the LEA RIF policy applies to certified school employees.)

Section: 7.24

Title: **TEACHING FELLOWS ADMINISTRATIVE REDUCTION**

Summary Modifies G.S. 115C-363.23A(f) to reduce the amount available to the Public School Forum for administering the Teaching Fellows Program from \$810,000 per year to \$600,000 per year.

Section: 7.25

Title: **RESIDENTIAL SCHOOLS**

Summary Subsection (a) requires DPI to report to the Joint Legislative Education Oversight Committee no later than January 15, 2012 with a plan for closing a residential school and consolidating its programs with those at the two remaining schools. The closure and consolidation must be completed by July 1, 2012.

Subsection (b) requires DPI to maintain the summer school programming and residential and instructional schedules for the residential schools that were in effect before February 8, 2010, unless changed by the General Assembly.

Subsection (c) allows DPI to create a principal position at each residential school out of funds available for the residential schools.

Subsection (d) eliminates the position of the superintendent for the residential schools and establishes that one of the directors of the residential schools will serve as superintendent.

Subsection (e) amends G.S. 115C-325(p) to ensure that certified personnel at the residential schools will not lose their career status as a result of the transfer of the residential schools to DPI.

Section: 7.27

Title: **DEPARTMENT OF PUBLIC INSTRUCTION RECEIPTS**

Summary Allows DPI to realign receipts among the following General Fund purpose codes to correctly align the certified budget with the appropriate purpose or programs.

Section: 7.29

Title: **INCREASE NUMBER OF INSTRUCTIONAL DAYS**

Summary Subsection (a) amends G.S. 115C-84.2 to define the school calendar as having at least 185 days and 1,025 hours of instruction. The five protected teacher workdays previously established in G.S. 115C-84.2(a)(4) are eliminated. The subsection further permits the State Board of Education to grant LEAs waivers on meeting the 185 instructional day requirement if the State Board of Education finds that it will enhance student performance to do so.

Subsection (b) amends G.S. 115C-238.29F(d)(1) to make conforming changes to the required instructional program offered by charter schools.

Section: 7.30

Title: **TESTING PROGRAM**

Summary Subsection (a) amends G.S. 115C-174.11 to require that the State Board of Education continue its participation in the development of the Common Core State Standards and require the administration of the ACT test for all students in the eleventh grade, to the extent funds are made available.

Subsection (b) adds two new Parts to Article 10A of Chapter 115C of the General Statutes (Part 4 and Part 5) to require the State Board of Education, to the extent funds are made available, (i) to administer diagnostic tests in the eighth and tenth grades that align with the ACT, and (ii) to make available the appropriate WorkKeys tests for all students who complete the second level of vocational/career courses. (H.B. 766, S.B. 479)

Community Colleges

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$1,102,475,214		\$1,102,475,214	

Legislative Changes

A. Technical Adjustments

46 Enrollment Growth	\$34,140,158	R	\$47,699,747	R
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Provides funds to fully fund enrollment growth, including enrollment growth for equipment funding, in both years of the biennium.

According to the FY 2010-11 spring enrollment census, enrollment has increased by 3.3% (8,081 full-time-equivalent students or FTE) above the FY 2010-11 budgeted enrollment of 243,854. Curriculum enrollment has increased by 6,928 FTE (3.6%), continuing education enrollment has increased by 1,396 FTE (4.9%), and basic skills enrollment has decreased by 243 FTE (-1.1%). Total equipment funding for FY 2011-12 is \$5,643,030, which maintains the amount per equipment FTE at the FY 2009-10 level. Total requirements for the enrollment growth increase are \$45,058,958, of which \$10,918,800 is funded from receipts.

Estimated enrollment growth during the FY 2011-12 year is also fully funded with an additional appropriation of \$13,559,589, \$584,775 of which is for equipment. This adjustment is based on estimated enrollment growth of 1.5% (3,672 FTE). Total requirements for the enrollment growth are \$18,478,365, of which \$4,918,776 is funded from receipts. (H.B. 584/S.B. 500)

47 Hickory Metro Higher Education Center	(\$264,833)	R	(\$264,833)	R
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Transfers categorical funding for the Hickory Metro Higher Education Center at Catawba Valley Community College to the UNC System budget. (H.B. 584/S.B. 500)

B. State Aid Adjustments

48 Management Flexibility Reduction	(\$50,777,984)	R	(\$58,544,165)	R
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Reduces funds in the State Aid budget. 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. (H.B. 584/S.B. 500)

49 Curriculum Tuition

(\$47,664,650) R

(\$60,393,549) R

Increases curriculum tuition by \$10 per credit hour in FY 2011-12 and an additional \$2.50 per credit hour in FY 2012-13, and makes a corresponding General Fund reduction in anticipation of increased tuition receipts.

For FY 2011-12, resident tuition will increase from \$56.50 to \$66.50 for residents and from \$248.50 to \$258.50 for nonresidents. Tuition for full-time resident students will increase by a maximum of \$320 per year, from \$1,808 to \$2,128.

For FY 2012-13, resident tuition will increase from \$66.50 to \$69 for residents and from \$258.50 to \$261 for nonresidents. Tuition for full-time resident students will increase by a maximum of an additional \$80 per year, from \$2,128 to \$2,208. (H.B. 584/S.B. 500)

50 Continuing Education Fee

(\$664,509) R

Increases continuing education fees by \$5 per course, beginning in FY 2012-13, and takes a corresponding General Fund reduction in anticipation of increased tuition receipts. The new fees will be as follows:

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

51 Funding Formula

(\$22,670,636) R

(\$22,670,636) R

Eliminates categorical funding for Health Sciences (\$16,842,300), Technical Education (\$5,500,000), and Special High Cost Programs allotment for Heavy Equipment (\$328,336), and restructures the curriculum and continuing education funding formulas to provide weighted funding based on the type of instruction, as directed in Section 8.3.

Curriculum courses in high-cost areas such as healthcare, technical education, and lab-based science courses shall be weighted more heavily than other curriculum courses.

Continuing education courses that lead to a third-party credential or certification and courses providing an industry-designed curriculum shall be weighted more heavily than other continuing education courses. (H.B. 584/S.B. 500; S.L. 2011-145, Sec. 8.3)

52 Basic Skills

(\$10,000,000) R

(\$10,000,000) R

Reduces funding for basic skills education by 12.4%. Total funding remaining for the program will be \$86,246,787, with \$70,483,463 in State funding and \$15,763,628 in federal funding.

53 Institutional and Academic Support

(\$8,548,090) R

(\$8,548,090) R

Eliminates funding for one of the 5.5 general institutional positions in the institutional and academic support enrollment allotment funding formula for community colleges. Total funding remaining in this allotment will be \$452.5 million. (H.B. 584/S.B. 500)

54 Customized Training

(\$7,600,000) NR

Reduces the Customized Training budget on a one-time basis. Total recurring funding for the program is \$12,457,121; however, per G.S. 115D-5.1(f2), unexpended funds for the program do not revert and are instead carried forward to the next year. After this reduction, the total amount available for expenditure in the biennium is expected to be \$31,710,340, or \$15,855,170 per year.

Of these funds, up to \$75,000 may be used to support curriculum development, materials, and training for Small Business Centers.

55 BioNetwork

(\$290,228) R

(\$290,228) R

Reduces funds for BioNetwork grants and centers by 6.6%. \$205,582 will be reduced from BioNetwork centers (5% reduction) and \$84,646 from grants to colleges (30% reduction). Total funding remaining for the program will be \$4,106,056.

56 Minority Male Mentoring

(\$90,000) R

(\$90,000) R

Reduces funding for the Minority Male Mentoring program by 10%. Total funding remaining for the program will be \$810,000.

57 NC Military Business Center

(\$125,000) R

(\$125,000) R

Reduces the categorical allotment to the NC Military Business Center at Fayetteville Technical Community College by 10%. Total funding remaining for the program will be \$1,125,000.

58 Textile Technology Center

(\$91,251) R

(\$91,251) R

Reduces the categorical allotment to the Textile Technology Center at Gaston College by 10%. Total funding remaining for this program will be \$821,258. (H.B. 584/S.B. 500)

59 Manufacturing Solutions Center

(\$57,212) R

(\$57,212) R

Reduces the categorical allotment for the Manufacturing Solutions Center at Catawba Valley Community College by 10%. Total funding remaining for this program will be \$514,904. (H.B. 584/S.B. 500)

60 Haywood Regional High Technology Center

(\$582,383) R

(\$582,383) R

Eliminates the categorical allotment for the Regional High Technology Center at Haywood Community College. The college will continue to receive regular FTE formula funding for the enrollment at the Center. (H.B. 584/S.B. 500)

61 NC REAL

(\$250,000) R

(\$250,000) R

Eliminates pass-through funding for NC Rural Entrepreneurship through Action Learning (NC REAL). (H.B. 584/S.B. 500)

C. Student Aid Adjustments**62 NC Community College Grant Program**

Reverts the existing fund balance of \$5.7 million to the Escheats Fund and increases annual appropriations by \$2.5 million for a total budget of \$16.5 million per year.

The funds for this item are shown in the Community College System - Trust - General Fund (Budget Code: 66801) section of this report. (S.L. 2011-145, Sec. 9.8)

63 Tuition Waivers

(\$444,000) R

(\$444,000) R

Eliminates tuition waivers for community college faculty and staff, NC Civil Air Patrol, and individuals engaged in civil preparedness activities. Colleges are permitted to use State and local funds to pay for tuition and registration fees for one course per semester for full-time faculty and staff. (S.L. 2011-145, Sec. 8.12)

D. Community Colleges System Office Adjustments**64 System Office Positions**

(\$1,265,975) R

(\$1,265,975) R

Eliminates 19 positions in the Community Colleges System Office, including 9 vacant, 2 expected-to-be-vacant, and 8 filled positions. The positions are as follows:

-19.00

-19.00

Executive Division - 3 vacant and 2 filled positions;

IT & Workforce Development Division - 3 vacant, 2 expected-to-be-vacant, and 4 filled positions;

Business and Finance Division - 1 vacant and 1 filled position; and

Academic and Student Services Division - 2 vacant and 1 filled positions. (H.B. 584/S.B. 500)

65 System Office Operating Funds

(\$265,417) R

(\$265,417) R

Reduces operating funds for travel, training, information technology, and other expenses. (H.B. 584/S.B. 500)

66 2+2 E-learning Initiative

(\$97,000) R

(\$97,000) R

Reduces the budget of the 2+2 E-learning initiative by 13%.
Total funding remaining for the program will be \$653,000.
(H.B. 584/S.B. 500)

67 Receipt-supported Positions

(\$322,180) R

(\$322,180) R

Shifts 3.5 positions from General Fund appropriations to receipts. Positions and receipt source are as follows:

-3.50

-3.50

Accountant (2 positions) - indirect cost receipts;
Education Program Director (1 position) - Proprietary School receipts;
Education Consultant II (.25 position) and Education Program Director II (.25 position) - federal receipts. (H.B. 584/S.B. 500)

68 GED Program

(\$208,533) R

(\$208,533) R

Shifts the General Education Development (GED) program entirely to receipt support. Section 31.2 permits the State Board of Community Colleges to increase the fee assessed to individuals taking the GED exam. The current fee is \$7.50.

-2.50

-2.50

The fees will be used to support the costs of administering the tests, including scoring the tests and printing the GED certificates. A total of 2.5 positions will be shifted from appropriation to receipt support, including 2 GED & Adult High School Tech positions, and one-half of the Education Program Director position. (H.B. 584/S.B. 500; S.L. 2011-145, Sec. 31.2)

Total Legislative Changes

(\$109,875,214) R

(\$117,475,214) R

(\$7,600,000) NR

Total Position Changes

-25.00

-25.00

Revised Budget

\$985,000,000

\$985,000,000

Special Provisions

2011 Session: HB 22

Department: Community Colleges

Section: 18

Title: TECHNICAL CHANGE: COMMUNITY COLLEGE TUITION WAIVERS

Summary Amends G.S. 115D-5(b), as amended by S.L. 2011-145, Sec. 8.12, to make technical changes to the Radio Emergency Associated Communications Team (REACT) and high school student tuition waivers.

Section: 19

Title: TECHNICAL CHANGE: EXEMPT COMMUNITY COLLEGES FROM APA

Summary Amends S.L. 2011-145, Sec. 8.18, Appropriations Act of 2011, to correct Subsection (c), the effective date section of that provision.

Section: 20

Title: BUDGET CHANGE: COMMUNITY COLLEGE BUDGET FLEXIBILITY

Summary (Note: S.L. 2011-412, Sec. 3.3, Prison Maint/Justice Reinv/Tech Corr., amends S.L. 2011-391 to repeal this section.)

Provides that if any legislation allowing the board of trustees of any community college to adopt a resolution declining to participate in the William D. Ford Federal Direct Loan Program becomes law, then a new section is added to S.L. 2011-145 (Section 8.21).

Section 8.21 would direct that if a college's board of trustees adopts a resolution declining to participate in the William D. Ford Federal Direct Loan Program, that college may only transfer up to 2% of State funds from faculty salaries for other purposes. Currently, per G.S. 115D-31(b1), these types of transfers are not limited, with the exception of Literacy funds and Customized Training funds.

S.L. 2011-148 (H.B. 15), S.L. 2011-154 (H.B. 541), S.L. 2011-155 (H.B. 58), and S.L. 2011-178 (H.B. 134) all permit certain colleges' boards of trustees to adopt resolutions declining to participate in the William D. Ford Federal Direct Loan Program. As such, Section 8.21, described above, was added to S.L. 2011-145. However, S.L. 2011-412, Sec. 3.3, Prison Maint/Justice Reinv/Tech Corr., amends S.L. 2011-391 to repeal this section.

2011 Session: HB 200

Department: Community Colleges

Section: 8.1

Title: REORGANIZATION OF THE COMMUNITY COLLEGES SYSTEM OFFICE

Summary Authorizes the President of the North Carolina Community College System to reorganize the System Office during FY 2011-12. (H.B. 584/S.B. 500)

Section: 8.2

Title: **REPEAL OBSOLETE REPORTING REQUIREMENTS**

Summary Repeals two obsolete reporting requirements.

Subsection (a) amends G.S. 115D-4.1(e) to (i)remove the requirement that college transfer programs continue to meet the accreditation standards of the Southern Association of Colleges and Schools and (ii) remove an annual reporting requirement on the compliance of community colleges with college transfer program criteria and standards.

Subsection (b) amends G.S. 115D-5(j) to remove the State Board's Board Reserve Fund reporting requirement. (H.B. 584/S.B. 500)

Section: 8.3

Title: **IMPLEMENT ALTERNATIVE FORMULA MODEL**

Summary Directs the State Board of Community Colleges to implement a new funding formula for curriculum and occupational education instruction, and consolidates certain categorical allotments into the new formula funding.

The new formula shall provide funding on a weighted full-time equivalent (FTE) basis. The provision directs the State Board to weigh high-cost curriculum courses more heavily than other curriculum courses and to weigh occupational education courses leading to a third-party credential or certification more heavily than other occupational education courses. (H.B. 584/S.B. 500)

Section: 8.4

Title: **USE OF OVERREALIZED RECEIPTS TO SUPPORT ENROLLMENT GROWTH RESERVE RATHER THAN EQUIPMENT RESERVE**

Summary Amends G.S. 115D-31(e) to direct that overrealized tuition and fee receipts be transferred to an Enrollment Growth Reserve rather than to the Equipment Reserve Fund. (H.B. 584/S.B. 500, S.B. 569)

Section: 8.5

Title: **BASIC SKILLS PLUS**

Summary Continues the authorization of the Basic Skills Plus program. This program provides 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. 584/S.B. 500)

Section: 8.6

Title: **CARRYFORWARD OF COLLEGE INFORMATION SYSTEM FUNDS**

Summary Directs 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. (H.B. 584/S.B. 500)

Section: 8.8

Title: **EQUIPMENT FUNDING**

Summary Directs the use of appropriations for equipment. Subsection (a) permits colleges, for the 2011-13 fiscal biennium, to use regular equipment allocations for new construction and repairs and renovations of existing facilities, as well as for equipment purchases.

Subsection (b) directs the State Board to allocate \$250,000 of equipment appropriations in FY 2011-12 to Forsyth Technical Community College for the purpose of building and equipping the Stokes County multicampus site.

Section: 8.9

Title: **CLARIFICATION REGARDING EQUIPMENT TITLED TO STATE BOARD**

Summary Amends G.S. 115D-15(a) to provide that property titled to the State Board of Community Colleges may be transferred between community colleges at no cost and without the approval of the Department of Administration, Division of Surplus Property. (H.B. 584/S.B. 500, S.B. 575)

Section: 8.10

Title: **NO STATE FUNDS FOR INTERCOLLEGIATE ATHLETICS**

Summary Amends Article 3 of Chapter 115D of the General Statutes by adding a new section, G.S. 115D-42.1, prohibiting State funds, student tuition receipts, or student aid funds from being used to create, support, maintain, or operate an intercollegiate athletics program at a community college.

Section: 8.12

Title: **COMMUNITY COLLEGE TUITION WAIVERS**

Summary Amends G.S. 115D-5 and G.S. 115D-39 to make the following changes to community college tuition waivers:

- Clarifies that tuition is waived for public safety workers for courses that are both requested by public safety entities for the organizations' training needs and on a specialized course list approved by the State Board of Community Colleges. The provision makes additional clarifying changes to the tuition waiver for paid fire department personnel.
- Deletes obsolete tuition waivers.
- Deletes the tuition waiver for prison inmates. Additionally, Subsection (c) directs the State Board of Community Colleges to transfer funds to the Department of Correction to pay tuition and fees for prisoners.
- Directs that the State Board shall not waive tuition and fees for other individuals.
- Permits colleges to use State or local funds to pay tuition and registration fees for full-time faculty and staff.

(S.L. 2011-391, Sec. 18, Budget Technical Corrections, amends this provision to correct references to Radio Emergency Communication Team and high school student tuition waivers.)

Section: 8.13

Title: **FUNDING FOR MULTICAMPUS CENTERS**

Summary Amends G.S. 115D-5(o) to direct that all multicampus centers approved by the State Board of Community Colleges shall receive funding under the same formula.

Section: 8.14

Title: **STUDY COMMUNITY COLLEGE PERFORMANCE MEASURES**

Summary Directs the State Board of Community Colleges to report to the Joint Legislative Education Oversight Committee by March 1, 2012 on a revised set of accountability measures and performance standards.

Section: 8.15

Title: **COMMUNITY COLLEGE AUDITS**

Summary Amends Article 4A of Chapter 115D of the General Statutes by adding a new section, G.S. 115D-58.16, requiring each community college to be audited at least once every two years by either the State Auditor or a certified public accountant. Additionally, the provision provides that a community college shall not be subject to the EAGLE program of the Office of the State Controller except under certain circumstances.

Section: 8.16

Title: **ENROLLMENT GROWTH**

Summary Requires specific information to be included in future enrollment growth requests from the State Board of Community Colleges and in the continuation budget requirements proposed by the Director of the Budget. (H.B. 584/S.B. 500)

Section: 8.18

Title: **EXEMPT COMMUNITY COLLEGES FROM APA**

Summary Amends G.S. 150B-1 and repeals G.S. 115D-80 to exempt the State Board of Community Colleges from the Administrative Procedures Act. (S.B. 284)

(S.L. 2011-391, Sec. 19, Budget Technical Corrections, amends this provision to correct a reference in Subsection (c) of this section.)

Section: 8.19

Title: **CAPITAL IMPROVEMENTS AT COMMUNITY COLLEGES**

Summary Amends G.S. 115D-9 to (i) increase the State Board's authority for capital improvement projects from projects with projected expenditures of \$1 million to \$4 million in expected expenditures and (ii) direct that G.S. 143-341(e) will not apply to capital improvement projects funded with non-State funds if the State Board of Community Colleges determines that the college has the necessary expertise to manage the project. (S.B. 470, S.B. 575)

Section: 8.20

Title: **GRANTING COMMUNITY COLLEGES ADDITIONAL FLEXIBILITY WITH REGARD TO INVESTMENTS**

Summary Amends G.S. 115D-58.6 to grant colleges additional investment flexibility with institutional funds. (H.B. 72, S.B. 575)

Section: 31.2

Title: **EDUCATION/STATE BOARD AUTHORITY TO ESTABLISH GED TESTING FEES**

Summary Amends G.S. 115D-5(s) to authorize the State Board of Community Colleges to establish fees charged to students taking the General Education Development (GED) test. (H.B. 584/S.B. 500)

UNC System

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$2,887,492,464		\$2,886,730,386	
Legislative Changes				
A. Technical Adjustments				
69 Enrollment Growth	\$46,818,123	R	\$46,818,123	R
Fully funds projected enrollment growth for FY 2011-12 at the University of North Carolina. The projected enrollment increase of 1.2% equates to an additional 2,337 full-time-equivalent (FTE) students. Total requirements will increase by \$56,474,924, of which \$10,656,801 will be funded by increased tuition receipts, for a net State appropriation of \$46,818,123. (H.B. 584/S.B. 500)				
70 Hickory Metro Higher Education Center	\$264,833	R	\$264,833	R
Transfers funds for the Hickory Metro Higher Education Center from the North Carolina Community College System budget to the budget for Appalachian State University.				
B. Base Budget Adjustments				
71 Management Flexibility Reduction	(\$413,987,494)	R	(\$423,172,261)	R
Mandates a management flexibility reduction for the UNC operating budget. As directed in Section 9.6, the UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions. (H.B. 584/S.B. 500; S.L. 2011-145, Sec. 9.6, as modified by S.L. 2011-391, Sec. 21)				
72 UNC Hospitals Subsidy	(\$26,011,882)	NR	(\$26,011,882)	NR
Reduces the State subsidy to UNC Hospitals by 59% for two years. \$18 million will remain available to UNC Hospitals after this reduction. (H.B. 584/S.B. 500)				
73 Center for Public Television Continuation Review	(\$11,997,888)	R	(\$11,997,888)	R
Eliminates recurring funding for the Center for Public Television and provides nonrecurring funds with a twelve percent reduction for FY 2011-12. Restoration of recurring funding is subject to the findings of a legislative continuation review. (S.L. 2011-145, Sec. 9.1)	\$10,558,141	NR		
				-116.00

74 East Carolina School of Dentistry Operations

\$3,500,000 R

\$5,000,000 R

Provides funds to the East Carolina School of Dentistry for new faculty and staff and operating costs to prepare for its first class of students, which will enroll in fall 2011, and to establish dental service learning centers throughout the State where faculty and students will serve patients.

27.00

39.00

Of the new funds appropriated, approximately \$3.4 million in FY 2011-12 and approximately \$4.5 million in FY 2012-13 will be used for salaries, wages, and benefits. Total State appropriations will be \$15 million in FY 2011-12 and \$16.5 million in FY 2012-13. (H.B. 584/S.B. 500; H.B. 370/S.B. 403)

75 Building Reserves

\$18,531,614 R

\$29,233,551 R

Provides funds to operate new or renovated UNC buildings completed in FY 2011-12. Specifically, funds are for the housekeeping, maintenance, and security requirements for the added building square footage. The FY 2011-12 amount provides funding for a partial year; the FY 2012-13 appropriation represents the full-year cost. (H.B. 584/S.B. 500)

282.80

282.80

76 NC A&T/UNC-G Joint School of Nanoscience and Nanoengineering

Provides nonrecurring funds for the NC A&T/UNC-G Joint School of Nanoscience and Nanotechnology located the Gateway University Research Park in Greensboro. The program is designed to conduct research in areas such as drug design and delivery, nanobioengineering, and genetic screening. (H.B. 257/S.B. 390)

\$1,000,000 NR

\$1,000,000 NR

C. Student Aid Adjustments**77 UNC Need-based Financial Aid Program**

\$37,891,429	R	\$68,608,867	R
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Shifts program funding to a higher proportion from the General Fund, due to diminishing Escheat Fund principal. In FY 2011-12, total funds available for the UNC Need-based Financial Aid program from all sources will be \$301,446 lower than the FY 2011-12 base budget. In FY 2012-13, total funds available will be \$4,956,358 lower, and students will be limited in the length of time they can receive the grant (Section 9.11). An additional \$59.9 million in forward-funding is provided in FY 2011-12, to increase program stability (Section 9.9).

Total funding includes:

FY 2011-12

General Fund - \$48,891,429

Escheat Fund - \$127,354,154

Lottery Fund - \$10,744,733

FY 2012-13

General Fund - \$79,608,867

Escheat Fund - \$32,122,242

Lottery Fund - \$10,744,733

Note: Sections 5.4 and 9.8 appropriate funds from the Lottery Fund and Escheat Fund, respectively. (S.L. 2011-145, Secs. 5.4, 9.8, 9.9, and 9.11)

(S.L. 2011-340, Sec. 2, Global TransPark Gov. Reform & Loan Repayment, amends this item for FY 2011-12 by decreasing the amount of General Fund appropriations and increasing the amount of Escheat Fund appropriations. The revised funding for FY 2011-12 includes:

FY 2011-12

General Fund - \$31,391,429

Escheat Fund - \$144,854,154

Lottery Fund - \$10,744,733

Total funding remains the same.)

78 Student Incentive Grant

(\$800,827)	R	(\$800,827)	R
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Eliminates funding for the Student Incentive Grant, as federal matching funds have been eliminated. In addition to the funds shown here, \$3,613,601 in Escheat Fund program funding is also reduced, for a total reduction of \$4,414,428.

79 Nonresident Tuition Waivers

(\$1,892,640) R

(\$1,892,640) R

Eliminates certain tuition waivers for nonresident students.

These waivers include:

- Special Talent undergraduate tuition waivers (\$529,967);
- Nonresident teachers (\$984,443); and
- Nonresident Prospective Teacher Scholars program (\$378,230). (S.L. 2011-145, Sec. 9.13)

80 Academic Common Market

(\$970,747) R

Phases out funding for the Academic Common Market program, beginning in FY 2012-13. Based on tuition waived in FY 2009-10, it is estimated that \$970,747 will remain in program funding in FY 2012-13. (S.L. 2011-145, Sec. 9.12)

81 Legislative Tuition Grant

(\$7,167,171) R

(\$58,269,681) R

Reduces funds for the Legislative Tuition Grant (LTG) by 12.3% in FY 2011-12 and eliminates funding in FY 2012-13. This program will be replaced by the Need-based Scholarships for Students Attending Private Institutions of Higher Education, described below. (H.B. 584/S.B. 500; S.L. 2011-145, Sec. 9.18)

82 State Contractual Scholarship Fund

(\$5,645,326) R

(\$45,896,963) R

Reduces funds for the State Contractual Scholarship Fund by 12.3% in FY 2011-12 and eliminates funding in FY 2012-13. This program will be replaced by the Need-based Scholarships for Students Attending Private Institutions of Higher Education, described below. (S.L. 2011-145, Sec. 9.18)

83 Other Private School Aid

(\$39,483) R

(\$321,000) R

Reduces funds for Other Private School Aid by 12.3% in FY 2011-12 and eliminates funding in FY 2012-13. This program will be replaced by the Need-based Scholarships for Students Attending Private Institutions of Higher Education, described below. (H.B. 584/S.B. 500; S.L. 2011-145, Sec. 9.18)

84 Need-based Scholarships for Private College Students

\$81,851,588 R

Provides funds for the newly established Need-based Scholarships for Students Attending Private Institutions of Higher Education, beginning in FY 2012-13. This program is described in Section 9.18. (S.L. 2011-145, Sec. 9.18)

85 Private Medical School Aid

(\$1,279,000) R

(\$1,279,000) R

Eliminates funding for the Private Medical School aid program. Students funded under this program are eligible to apply for the Board of Governors Medical School Loan program. (H.B. 584/S.B. 500; S.L. 2011-145, Sec. 9.14)

86 Principal Fellows

(\$362,000) R

Reduces program slots by 10% beginning in FY 2012-13. Total funding remaining for the program in FY 2012-13 will be \$3,258,000.

87 Future Teachers Scholarship-loan

(\$455,000) R (\$455,000) R

Eliminates the remaining budget of the Future Teachers Scholarship-loan, which was abolished in 2009. (H.B. 584/S.B. 500)

(S.L. 2011-74, S.B. 137, Establish Forgivable Loan Program, transfers all assets and liabilities of this program to the new Forgivable Loans for Service Fund effective July 1, 2012.)

88 Health, Science, and Mathematics Scholarship-loan

\$1,100,000 R \$1,100,000 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$1,922,779.

(S.L. 2011-74, S.B. 137, Establish Forgivable Loan Program, transfers all assets and liabilities of this program to the new Forgivable Loans for Service Fund effective July 1, 2012.)

89 Board of Governors Medical Scholarship-loan

\$645,000 R \$645,000 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$1,869,180.

(S.L. 2011-74, S.B. 137, Establish Forgivable Loan Program, transfers all assets and liabilities of this program to the new Forgivable Loans for Service Fund effective July 1, 2012.)

90 Board of Governors Dental Scholarship-loan

\$450,239 R \$450,239 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$939,160.

(S.L. 2011-74, S.B. 137, Establish Forgivable Loan Program, transfers all assets and liabilities of this program to the new Forgivable Loans for Service Fund effective July 1, 2012.)

91 Nurse Education Scholarship-loan

\$800,000 R \$800,000 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$867,756.

(S.L. 2011-74, S.B. 137, Establish Forgivable Loan Program, transfers all assets and liabilities of this program to the new Forgivable Loans for Service Fund effective July 1, 2012.)

92 Teacher Assistant Scholarship Fund

\$600,000 R

\$600,000 R

Shifts the portion of program funding previously provided from the Escheat Fund to General Fund support. Total program funding will remain at \$814,714.

(S.L. 2011-74, S.B. 137, Establish Forgivable Loan Program, transfers all assets and liabilities of this program to the new Forgivable Loans for Service Fund effective July 1, 2012.)

Total Legislative Changes

(\$332,663,591) R (\$310,045,806) R

(\$14,453,741) NR (\$25,011,882) NR

Total Position Changes

309.80

205.80

Revised Budget

\$2,540,375,132

\$2,551,672,698

Special Provisions

2011 Session: HB 22

Department: UNC System

Section: 21

Title: BUDGET CHANGE: UNC MANAGEMENT FLEXIBILITY REDUCTION

Summary Amends S.L. 2011-145, Sec. 9.6, Appropriations Act of 2011, to allow the UNC Board of Governors to allocate a management flexibility reduction to Special Focus Institutions and Baccalaureate Arts and Science Colleges.

2011 Session: HB 200

Department: UNC System

Section: 9.1

Title: CENTER FOR PUBLIC TELEVISION CONTINUATION REVIEW

Summary Places the Center for Public Television (UNC-TV) under continuation review. The Center and The University of North Carolina General Administration must prepare a report to assist the General Assembly in determining whether to continue, reduce, or eliminate funding for UNC-TV.

UNC must submit the report by March 31, 2012, to the House of Representatives and Senate Appropriations Subcommittees on Education.

Section: 9.4

Title: UNIVERSITY CANCER RESEARCH FUND REPORTING REQUIREMENT

Summary Requires the Cancer Research Fund Committee to report annually by November 1 on the financial activities of the University Cancer Research Fund. The Report will be submitted to the Joint Legislative Education Oversight Committee and the Office of State Budget and Management. (H.B. 584/S.B. 500)

Section: 9.5

Title: UNC BOARD OF GOVERNORS REVIEW OF FACULTY RECRUITMENT AND RETENTION

Summary Requires the Board of Governors of The University of North Carolina to review its policies for financial incentives to retain faculty. The review must be submitted by April 1, 2012 to the Joint Legislative Education Oversight Committee, the Office of State Budget and Management, and the Fiscal Research Division. (H.B. 584/S.B. 500)

Section: 9.6

Title: **UNC MANAGEMENT FLEXIBILITY REDUCTION**

Summary Directs the UNC Board of Governors to allocate the management flexibility reduction on a programmatic basis and not on an across-the-board basis.

Subsection (b) prohibits the Board of Governors from allocating a management flexibility reduction of more than 12.3% from the Governor's Recommended Continuation Budget to Agricultural Extension Programs or the North Carolina Judicial College of the UNC School of Government.

Subsection (c) prohibits the Board of Governors from allocating a management flexibility reduction to several programs, including the Hickory Metro Higher Education Center, the Joint Graduate School of Nanoscience and Nanoengineering, the North Carolina Research Campus, the Center for Turfgrass Environmental Research and Education, Need-Based Financial Aid, Aid to Private Colleges, Special Focus Institutions, Baccalaureate Arts and Science Colleges, and the Coastal Wave Energy Research Project.

Subsection (d) prohibits the Board of Governors from allocating a management flexibility reduction of more than 12.3% from the Governor's Recommended Continuation Budget to Agricultural Research programs, except that the reduction for Agricultural Research Stations is capped at 10%. (H.B. 584/S.B. 500)

(S.L. 2011-391, Sec. 21, Budget Technical Corrections, amends this provision to allow the UNC Board of Governors to allocate a management flexibility reduction to Special Focus Institutions and Baccalaureate Arts and Science Colleges.)

Section: 9.6A

Title: **ADVISORY COMMISSION ON MILITARY AFFAIRS/MODIFY MEMBERSHIP**

Summary Amends G.S. 127C-2 to add the President of The University of North Carolina and the President of the North Carolina Community College System to the North Carolina Advisory Commission on Military Affairs. (H.B. 584/S.B. 500)

Section: 9.6C

Title: **ALLOW CHANCELLORS OF CONSTITUENT INSTITUTIONS TO APPROVE CERTAIN REPAIR AND MAINTENANCE PROJECTS AND FUND THOSE WITH AVAILABLE OPERATING FUNDS**

Summary Amends G.S. 116-13.1 by adding a new subsection that permits constituent institution chancellors to approve the expenditure of up to \$1 million in operating funds per project for institutional repairs, renovations, or maintenance or for related equipment purchases. (S.B. 575)

Section: 9.6D

Title: **AUTHORIZE BOARD OF GOVERNORS TO PERMIT NORTH CAROLINA STATE UNIVERSITY TO SELF-PERFORM ENERGY CONSERVATION MEASURES AND TO AUTHORIZE ENERGY SAVINGS REALIZED BY NORTH CAROLINA STATE UNIVERSITY TO BE USED AS A SOURCE OF REPAYMENT FOR CERTAIN DEBTS**

Summary Amends G.S. 143 by adding and revising sections to grant the UNC Board of Governors authority to allow North Carolina State University (NCSU) to perform its own energy conservation projects.

Subsection (a) gives authority to the UNC Board of Governors to allow NCSU to perform its own energy conservation projects and to implement energy conservation measures without entering into guaranteed energy savings contracts.

Subsection (b) requires that prior to implementing an energy conservation measure as authorized by Subsection (a), NCSU must select a third party to perform an energy savings analysis. The subsection also requires NCSU to select a third party to conduct a post-implementation energy conservation analysis. If the analysis reveals that a project's savings are less than were estimated, the constituent institution is required to make up the shortfall.

Subsection (c) amends G.S. 116-30.3B(b) to state the General Assembly's intent that appropriations for NCSU not be reduced as a result of NCSU's energy savings.

Subsection (d) amends G.S. 143-64.17F(b) to remove energy savings projects authorized under Subsection (a) of this section from the jurisdiction of rules adopted by the Department of Administration.

Subsection (e) makes conforming changes to G.S. 143-64.17H to clarify that energy saving projects authorized under Subsection (a) of this section are subject to the reporting requirements mandated in G.S. 143-64.17H for energy savings projects.

Subsection (f) makes conforming changes to G.S. 142-63 to clarify that NCSU is authorized to enter into financing contracts for the energy savings projects authorized in Subsection (a) of this section.

Subsection (g) amends G.S. 142-64(a) to clarify that for projects authorized under Subsection (a) of this section, NCSU is subject to existing statutory requirements that the State Treasurer approve financing contracts for guaranteed energy conservation measure projects. (S.B. 575)

Section: 9.6E

Title: **AMEND REGULATION OF UNC INSTITUTIONAL TRUST FUNDS AND FUNDS OF UNC HEALTH CARE SYSTEM**

Summary Amends G.S. 116 to allow the University of North Carolina increased authority regarding investments.

Subsection (a) amends G.S. 116-36.1 to eliminate the requirement that The University of North Carolina deposit trust funds with the State Treasurer for holding; the subsection also permits chancellors to invest an institution's trust fund cash balances.

Subsection (b) amends G.S. 116-37(e) to make conforming changes necessitated by other subsections of this section.

Subsection (c) amends G.S. 116-37.2 to eliminate the requirement that The University of North Carolina Hospitals at Chapel Hill deposit funds with the State Treasurer for holding; the subsection also permits the Board of Directors of the University of North Carolina Health Care System to deposit or invest the hospital's funds. Finally, the subsection expands the definition of the word "funds" as used in this subsection. (S.B. 575)

Section: 9.6F

Title: **UNC/INSTITUTIONAL EXPENDITURE BENCHMARKS**

Summary Amends G.S. 116-31.10 to give increased authority to The University of North Carolina's constituent institutions regarding purchasing. The provision broadens the circumstances under which institutions may make purchases without oversight from the Department of Administration's Division of Purchase and Contract. (S.B. 575)

Section: 9.6G

Title: **UNC ASSUME RESPONSIBILITY FOR QUALITY ACCEPTANCE INSPECTION PROCESS**

Summary Amends G.S. 143-60 to limit the Department of Administration's authority over The University of North Carolina. The provision removes UNC from the Department's oversight regarding inspections to determine the quality of purchased supplies, materials, equipment, and related delivered goods; responsibility for assuring the quality of these items is given to UNC. (S.B. 575)

Section: 9.6H

Title: **NCSU MAY SELL TIMBER**

Summary Amends G.S. 143 by adding a new section, G.S. 143-64.06, granting North Carolina State University the authority to sever and sell timber from its unimproved timberlands without the involvement of the State Surplus Property Agency. (S.B. 575)

Section: 9.8

Title: **USE OF ESCHEAT FUND FOR NEED-BASED FINANCIAL AID PROGRAMS**

Summary Sets the amount of Escheat Fund principal and interest that may be used for need-based student financial aid as follows:

- UNC Need-based Financial Aid Program: Subsections (a) and (b) appropriate a combined \$127,354,154 in FY 2011-12 and \$32,122,242 in FY 2012-13.

- Community College Grant Program: Subsection (c) appropriates \$16,500,000 in both years of the fiscal biennium. Additionally, Subsection (g) directs the Office of State Budget and Management to transfer the cash balance of the community college grant program to the Escheat Fund.

- Department of Administration, Division of Veterans Affairs need-based student financial aid: Subsection (d) appropriates \$6,520,964 in both years of the fiscal biennium. (H.B. 584/S.B. 500)

(S.L. 2011-340 amends Subsection (a) of this provision to increase the amount of Escheat funding for UNC Need-based Financial Aid in FY 2011-12 by \$17,500,000.)

Section: 9.9

Title: **UNC NEED-BASED FINANCIAL AID PROGRAM FUNDING SCHEDULE**

Summary Establishes forward funding for the UNC Need-based Financial Aid Program. Of the funds appropriated for the program in each fiscal year, \$59,859,562 shall not be expended in that fiscal year but instead held in reserve to be disbursed for scholarships in the next academic year.

Section: 9.10

Title: **CONSOLIDATE ASSETS OF MILLENNIUM TEACHING SCHOLARSHIP LOAN PROGRAM AND PROSPECTIVE TEACHERS SCHOLARSHIP LOAN FUND/ GIVE PRIORITY FOR SCHOLARSHIP LOANS FOR PROSPECTIVE TEACHERS TO CERTAIN FORMER TEACHER ASSISTANTS**

Summary Consolidates the Millennium Teaching Scholarship Loan Program into the Prospective Teachers Scholarship Loan Program and reverts \$500,000 of the fund balance of the Millennium Teaching Scholarship Loan Program to the Escheat Fund. Also, the provision establishes a priority in the Prospective Teachers Scholarship Loan Program for former teacher assistants.

Section: 9.11

Title: **LIMIT CERTAIN FINANCIAL AID GRANTS TO THE TRADITIONAL TIME PERIOD REQUIRED TO EARN A BACCALAUREATE DEGREE**

Summary Amends Article 1 of Chapter 116 of the General Statutes by adding a new section, G.S. 116-25.1, that limits the length of time a student may receive a UNC Need-based Financial Aid grant to the traditional time period required to earn a baccalaureate degree.

Additionally, the provision directs the Fiscal Research Division to study how to limit receipt of state grants for students who transfer between the UNC, community college, and private college systems. The Fiscal Research Division shall report its findings and recommendations by March 1, 2012 to the Joint Legislative Education Oversight Committee and the Education Appropriation Subcommittees of the House of Representatives and the Senate.

Section: 9.12

Title: **ACADEMIC COMMON MARKET**

Summary Phases out the State's participation in the Academic Common Market program.

Section: 9.13

Title: **ELIMINATE CERTAIN UNC TUITION WAIVERS FOR NONRESIDENT STUDENTS**

Summary Eliminates three tuition waivers for nonresident students:

- Amends G.S. 116-143(c) to eliminate the special talent undergraduate tuition waiver.
- Repeals G.S. 116-143.5 to eliminate the nonresident teachers tuition waiver.
- Eliminates the Prospective Teacher Scholars program begun in S.L. 2002-126, Section 9.9.

Section: 9.14

Title: **ELIMINATE PRIVATE MEDICAL SCHOOL AID**

Summary Repeals G.S. 116-21.6 to eliminate the Private Medical School Aid program.

Section: 9.15

Title: **TRANSFER NORTH CAROLINA ARBORETUM RESPONSIBILITIES TO WESTERN CAROLINA**

Summary Subsection (a) amends G.S. 116-242 to transfer operating management of the North Carolina Arboretum from the University of North Carolina at Asheville to Western Carolina University.

Subsection (b) amends G.S. 116-243 to reduce the membership of the North Carolina Arboretum Board of Directors and to modify the membership terms.

Subsection (c) amends G.S. 116-244 to clarify the Board of Directors' responsibilities and duties and to make conforming changes.

Subsection (d) directs staggered terms for some Board of Directors members to conform to the revised membership list provided by Subsection (b) of this section.

Section: 9.16

Title: **SPECIAL RESPONSIBILITY CONSTITUENT INSTITUTION AUDITS**

Summary Amends G.S. 116 by adding a new section, G.S. 116-30.8, requiring The University of North Carolina's institutions to be audited annually. The provision permits chancellors of special responsibility constituent institutions to use State funds to contract with either the State Auditor or another certified public accountant to perform the audit.

Section: 9.18

Title: **NEED-BASED SCHOLARSHIPS FOR STUDENTS ATTENDING PRIVATE INSTITUTIONS OF HIGHER EDUCATION**

Summary Amends Chapter 116 of the General Statutes by adding a new article, Article 34, establishing the Need-based Scholarships for Students Attending Private Institutions of Higher Education program. The article applies to the 2012-13 academic year and every subsequent academic year.

Additionally, the provision makes conforming changes to other General Statutes and directs the State Education Assistance Authority to report by June 1, 2013 to the Joint Legislative Education Oversight Committee regarding the new program's implementation.

Section: 9.19

Title: **CONSTITUENT INSTITUTIONS MAY PURCHASE MOTOR VEHICLES INDEPENDENT OF MOTOR FLEET MANAGEMENT**

Summary Amends G.S. 143-341(8)i.3 to add the University of North Carolina's constituent institutions to the list of entities permitted to purchase motor vehicles for law-enforcement use outside of Motor Fleet Management's purview. (S.B. 575)

2011 Session: SB 137

Department: UNC System

Section: N/A

Title: **S.L. 2011-74 (S.B. 137) Establish Forgivable Loan Fund**

Summary Consolidates twelve scholarship-loan and scholarship programs to establish the new Forgivable Education Loans for Service Program (FELS) and Fund. Of the twelve funds consolidated, eight are currently operating programs and the remaining four are for programs no longer in operation, but still receiving repayments from past recipients. The programs include:

Existing Programs

- Nurse Educators of Tomorrow (Graduate Nurse Scholarship Program for Faculty Production)
- Nurse Scholars Program
- Nurse Education Scholarship Loan Program
- Board of Governors' Medical Scholarship Loans
- Board of Governors' Dental Scholarship Loans
- Health, Science, and Mathematics Student Loan Program
- Prospective Teacher Scholarship Program
- Teacher Assistant Scholarship Program

Programs No Longer in Operation

- Coaching Scholarship Loan Fund
- Optometry Scholarship Loan Fund
- Social Workers' Education Loan Fund
- Future Teachers of North Carolina

Beginning in FY 2012-13, the new FELS program will provide financial assistance in the form of forgivable loans to qualified students for certain high-need professions. Loans may be forgiven through employment in a designated field in North Carolina. The program is designed to respond to employment needs in the State, and will initially target future teachers, nurses, and allied health professionals. The State Education Assistance Authority (SEAA) will administer the Program and Fund. The bill requires SEAA to make a report on loans from the Fund no later than December 1, 2013 and annually thereafter to the Joint Legislative Education Oversight Committee.

NC Community College System – Trust – General

Budget Code: 66801

	FY 2011-12		FY 2012-13
Beginning Unreserved Fund Balance	\$5,919,657		\$187,745
Recommended Budget			
Requirements	\$26,282,132		\$26,282,132
Receipts	\$26,282,132		\$26,282,132
Positions	0.00		0.00
Legislative Changes			
Requirements:			
NC Community College Grant Program	\$2,518,798	R	\$2,518,798 R
Increases the annual appropriation from the Escheats Fund by \$2.5 million, for a total program budget of \$16.5 million per year. (S.L. 2011-145, Sec. 9.8)	\$0	NR	\$0 NR
	0.00		0.00
Community College Grant Program Fund Balance	\$0	R	\$0 R
Appropriates the program's fund balance, which will be transferred to the Escheats Fund. (S.L. 2011-145, Sec. 9.8)	\$5,731,912	NR	\$0 NR
	0.00		0.00
Correction to Base Budget	(\$11,648,356)	R	(\$11,648,356) R
Corrects an error in the Governor's recommended budget for the total requirements in Budget Code 66801, Fund 6102.	\$0	NR	\$0 NR
	0.00		0.00
Subtotal Legislative Changes	(\$9,129,558)	R	(\$9,129,558) R
	\$5,731,912	NR	\$0 NR
	0.00		0.00

Receipts:

NC Community College Grant Program	\$2,518,798	R	\$2,518,798 R
Increases receipts from the Escheats Fund by \$2.5 million. Total program receipts will be \$16.5 million per year. (S.L. 2011-145, Sec. 9.8)	\$0	NR	\$0 NR

2011 Annotated Committee Report

	FY 2011-12	FY 2012-13
Correction to Base Budget	(\$11,648,356) R	(\$11,648,356) R
Corrects an error in the Governor's recommended budget for the fund balance receipts in Budget Code 66801, Fund 6102.	\$0 NR	\$0 NR
Subtotal Legislative Changes	(\$9,129,558) R	(\$9,129,558) R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$22,884,486	\$17,152,574
Revised Total Receipts	\$17,152,574	\$17,152,574
Change in Fund Balance	(\$5,731,912)	\$0
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$187,745	\$187,745

**HEALTH
&
HUMAN SERVICES
Section G**

Health and Human Services

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$4,927,739,648		\$4,928,125,764	
Legislative Changes				
(1.0) Division of Child Development				
1 Pre-kindergarten Funds Transfer	\$65,011,651	R	\$65,011,651	R
Transfers \$65,011,651 from the Department of Public Instruction to the Department of Health and Human Services to operate a pre-kindergarten program within the Division of Child Development. Additionally, lottery funds will be allocated in the amount of \$63,135,709 for the continued payment of a high quality pre-kindergarten program. (S.L. 2011-391, Sec. 22, Budget Technical Corrections, clarified use of transferred funds) (S.L. 2011-145, Sec. 10.7)				
2 TANF Funding				
Replaces State funds for child care subsidy with one time TANF funds. This reduction does not result in loss of services. (S.L. 2011-145, Sec. 10.60)	(\$6,352,644)	NR	(\$6,352,644)	NR
3 Smart Start	(\$37,600,000)	R	(\$37,600,000)	R
Reduces the Smart Start budget by 20%, leaving \$150M available to support activities. (S.L. 2011-391, Sec. 21A, Budget Technical Corrections, specified that North Carolina Partnership for Children, Inc. shall not reduce funding allocations by more than 20% for counties with populations less than 35,000) (S.L. 2011-145, Sec. 10.5)				
4 TEACH Program	(\$3,800,000)	R	(\$3,800,000)	R
Swaps federal Child Care Development Fund Block Grant with state funds for the program. (S.L. 2011-145, Sec. 10.60)				
5 Social Services Administrative Support	(\$3,195,581)	R	(\$3,195,581)	R
Reduces the allowance for County Departments of Social Services administrative allowance from 5% to 4%. This leaves \$16.4M County Departments of Social Services may use to support administrative costs. (S.L. 2011-145, Sec. 10.60)				
6 Post-Secondary Education	(\$7,052,797)	R	(\$7,052,797)	R
Reduces child care subsidy funding available for post-secondary education. This reduction will change the existing policy from allowing individuals to receive subsidy for 24 months to 20 months. The combination of changing various policies (items 6-9) will result in a net reduction of \$9.7M, leaving approximately \$54M. (S.L. 2011-145, Sec. 10.1(c)(5))				

7 More At Four Match

(\$1,305,008)

R

(\$1,305,008)

R

Discontinues payment for the instructional day of More At Four students by child care subsidy funds. The combination of changing various policies (items 6-9) will result in a net reduction of \$9.7M, leaving approximately \$54M.

8 Facility Registration Fees

(\$360,570)

R

(\$360,570)

R

Discontinues payment for child care centers' registration fees by child care subsidy funds. The combination of changing various policies (items 6-9) will result in a net reduction of \$9.7M, leaving approximately \$54M. (S.L. 2011-145, Sec. 10.1(c)(4))

9 Transportation Services

(\$1,001,718)

R

(\$1,001,718)

R

Discontinues payment for transportation services with subsidy funds. The combination of changing various policies (items 6-9) will result in a net reduction of \$9.7M, leaving approximately \$54M. (S.L. 2011-145, Sec. 10.1(c)(4))

(2.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Services**10 Management Funding Reduction**

(\$7,180,807)

R

(\$7,180,807)

R

Reduces community service funds by 2%; this reduction continues a non-recurring reduction made in FY2010-11. These funds have not been used to pay for services. There is currently \$350M in state funding to pay for services managed through Local Management Entities.

11 Advocacy Positions

(\$158,045)

R

(\$158,045)

R

Eliminates seven vacant advocacy positions located throughout facilities and/or community settings. There are 56 positions remaining after this reduction; this is an 11% reduction in number of positions for advocacy.

-7.00

-7.00

12 Community Services Funds

Reduces Community Services funds by \$20M for FY2011-12. This reduction combined with the Management Funding Reduction leaves \$323M of state funds available for purchase of services through Local Management Entities. This reduction is an 8% reduction in this budget. (S.L. 2011-145, Sec. 10.11(a))

(\$20,000,000) NR

13 Child and Family Support Teams

(\$523,638)

R

(\$523,638)

R

Eliminates funding for coordinator positions located in 15 Local Management Entities. These positions have supported the Child and Family Team Pilot Program. Funds within Division of Social Services for this pilot is also being eliminated within this budget.

14 Community Services Funds - Swap

Replaces Community Services Funds with Local Management Entities' Fund Balance available for FY2011-12. This reduction/swap is to come from the undesignated/unreserved fund balances and not further reduce community services. (S.L. 2011-145, Sec. 10.11(d))

(\$25,000,000) NR

15 Information Technology Reserve

Eliminates the funding for the information technology account that is used to fund the facilities' information technology systems upgrade.

(\$5,100,390) R (\$5,100,390) R

(3.0) Division of Central Management and Support**16 Division of Information Resource Management - Contracts**

Eliminates recurring funding for the DIRM Contracts. Funding for FY2012-13 is pending the findings and recommendations of a Continuation Review.

(\$5,599,390) R (\$5,599,390) R
\$5,599,390 NR**17 Community Health Centers**

Reduces funding available for grants to community health centers. Grants are awarded on a multi-year basis; this reduction represents the new grants to be awarded in FY2011-12. There will be \$5M remaining for grants.

(\$1,452,527) R (\$1,452,527) R

18 Loan Repayment Program - Federal Receipts

Replaces state funds with increased federal funds available for the loan repayment program. The total program has approximately \$1.4M in funds.

(\$458,395) R (\$458,395) R

19 Information Resource Management - Operating Budget

Reduces excess operating funds within the Division of Resource Management.

(\$550,556) R (\$550,556) R

20 Position Eliminations - Office of the Controller

Eliminates two positions, one due to transfer of the Residential Schools to Department of Public Instruction and one within Purchase of Medical Care Section.

(\$76,215) R (\$76,215) R
-2.00 -2.00**21 Department Wide Administrative Efficiencies**

Reduces administrative funds and positions available within the Department of Health and Human Services. Administrative cost savings should include the co-location of various regional and field offices to achieve savings in leased space costs.

(\$1,869,435) R (\$1,869,435) R
-25.00 -25.00**22 Non-profit Reductions**

Reduces grants-in-aid and contract funding for non-profits by \$5M. There is currently \$75M in state funds for non-profits and this reduction represents 6.6% of total state funding.

(\$5,000,000) R (\$5,000,000) R

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23 Migrant Fee for Service Program

(\$736,145)

R

(\$736,145)

R

Reduces the program funds for the Migrant Purchase of Medical Care Program; the federal funds will continue. There remains approximately \$2.8M in this program.

24 NC Care Line

(\$380,478)

R

(\$380,478)

R

Eliminates funding and positions for the NC Care Line.

-11.00

-11.00

25 Information Resource Management - Conversion of Contracts to Employees

(\$1,360,982)

R

(\$1,360,982)

R

Reduces the contractual services line item within The Division of Resource Management. This reduction represents cost-savings realized from converting 78 Information Technology Contractors to state employees.

26 Position Eliminations

(\$7,606,000)

R

(\$7,606,000)

R

Eliminates vacant positions. There are over 1,600 positions vacant.

-250.00

-250.00

27 Budgeting Receipts - Information Resource Management

(\$561,225)

R

(\$561,225)

R

Replaces state appropriations within The Division of Resource Management (\$410,225) and throughout Central Management and Support (\$151,000) with over-realized receipts.

(4.0) Division of Public Health

28 Division of Environmental Health Transfer

Transfers \$13,485,365 from the Department of Environment and Natural Resources to the Department of Health and Human Services to operate various programs and activities that comprised the Division of Environmental Health. In effecting this transfer, the following activities are being eliminated: 1) Public Health Pest Management Section, and 2) the Private Well Program, WaDE Program, and Quality Assurance of the On-Site Water Protection Section. (S.L. 2011-145, Sec. 13.3)

29 Early Intervention

(\$3,118,046)

R

(\$3,118,046)

R

Requires the Division of Public Health to implement several administrative efficiencies, including: 1) elimination of 11 vacant positions; 2) reducing the contract to the Charlotte-Child Development Service Agency (a reduction that can be made up by its implementing Medicaid cost-settlement); and 3) other administrative efficiencies. The program will continue to be funded at nearly \$80 million annually, with a combination of federal and state funds.

-11.00

-11.00

30 Department of Health and Human Services - Chemical Testing Unit

Shifts a portion of funds for position number 60039654 from Highway Fund receipts to other receipts within the Department of Health and Human Services budget, and reduces funding for purchased services by \$6,280.

31 Office of Minority Health

(\$302,262)	R	(\$302,262)	R
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Reduces the administrative staff within the Office of Minority Health with little or no impact on the Division's ability to direct this program or provide technical assistance to Local Health Departments in striving to eliminate health disparities. (S.L. 2011-145, Sec. 10.21)

-4.00		-4.00	
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32 Consolidate Healthy Carolinians and Health Education

(\$571,447)	R	(\$571,447)	R
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Integrates the activities of the Office of Healthy Carolinians and Health Education into the duties of other personnel in the Division of Public Health. The Division will continue to provide technical assistance to local communities in support of the Governor's Task Force on Healthy Carolinians.

-10.00		-10.00	
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33 Local Health Department Accreditation

(\$400,000)	R	(\$400,000)	R
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Continues funding for the Accreditation program at a level comparable to FY 2010-11 (\$375,000). This allows the program to be funded at a maintenance level.

34 Health & Wellness Trust Fund Transfer to DHHS

Transfers \$32,904,411 from funds available to the Health & Wellness Trust Fund to the Department of Health and Human Services as follows:

\$32,904,411	NR
--------------	----

-- \$22,000,000 shall be used to administer the grants associated with the following programs and initiatives; Teen Tobacco Prevention, CheckMeds, Medication Assistance Program, and Obesity Prevention.

-- \$10,000,000 shall be used to reduce the total savings required to be achieved for the Medicaid program by Community Care of North Carolina

-- The remainder shall be used to reduce the Medicaid Provider Rate cut.

-- Budget Technical Corrections, amends this item to add the Roanoke-Chowan CHC Telehealth Network as a program to be funded with part of the \$22 million noted above.

(S.L. 2011-145, Sec. 6.11; S.L. 2011-391, Sec. 7(a))

(5.0) NC Health Choice

35 Modify Health Choice Services

(\$650,000) R (\$900,000) R

Modifies and ensures the clinical appropriateness of several Health Choice Services, including: 1) Elimination of long-term care, hearing services, and non-emergency transportation; 2) Reduction of dental benefits; and 3) Assurance of evidence-based treatment. (S.L. 2011-145, Sec. 10.41)

36 Benchmark Health Choice to Medicaid

(\$125,000) R (\$350,000) R

Benchmarks Health Choice services to Medicaid including the amounts, types, and reimbursement rates. The exception is that Health Choice will not be benchmarked to Medicaid's Early Periodic Screening, Diagnosis, and Treatment Program. (S.L. 2011-145, Sec. 10.41)

37 Targeted Rate Adjustments

(\$225,000) R (\$250,000) R

Adjusts Medicaid provider reimbursement rates. The Division of Medical Assistance will adjust provider reimbursement rates that are above regional rates, or where analysis indicates an adjustment is warranted and appropriate.

38 Strengthen and Restructure Program Integrity

(\$500,000) R (\$666,667) R

Budgets savings to be realized by the Division of Medical Assistance as a result of restructuring and modernizing its program integrity and fraud and abuse operations to enhance recoveries and avoid overpayments. Complementary savings are expected in the Health Choice program.

39 Care Coordination through CCNC

(\$4,255,235) R (\$4,489,274) R

Reduces State costs in the Division of Medical Assistance by re-establishing the care and utilization management services of the Community Care of North Carolina program-both Networks and Physician of Health Choice recipients. A per member per month payment will be made to physicians and networks. The cost will be offset by better management of services and improved clinical outcomes which lead to reduced state costs. (S.L. 2011-145, Sec. 10.41)

40 Health Choice Adjustment

(\$3,166,254) R \$2,000,000 R

Adjusts funding for Health Choice to reflect the changes in the consumption and mix of services, and payment to cost-settled health care providers. The policy of open enrollment will continue in FY 2011-12 and is projected to increase enrollment to approximately 148,203 children. Open enrollment will continue in FY 2012-13, but at a moderated rate.

(6.0) Division of Medical Assistance

41 Medicaid Provider Assessments

(\$60,183,120) R (\$62,798,614) R

Levies an assessment of up to 5.5%, consistent with Federal Regulations, on willing Medicaid healthcare providers. Currently, the list of providers includes: Hospitals, Critical Access Behavioral Health Agencies (CABHA), and Community Alternative Programs for Mentally Retarded (CAP/MR). A portion of the assessment will be retained by the State. The current 5.5% assessment on Nursing Homes is not affected. (S.L. 2011-11; S.L. 2011-145, Sec. 10.31A; S.L. 2011-315; S.L. 2011-391, Sec. 24)

42 Adjust Assessment on Nursing Facilities to 6%

(\$7,926,122) R (\$10,568,163) R

Adjusts the assessment rate on Nursing Facilities upward to 6.0%, as allowed by Federal regulations, effective October 1, 2011, by adjusting the appropriate totals accordingly. (S.L. 2011-145, Sec. 10.31A)

43 Implement Pregnancy Home Model

(\$528,960) R (\$3,457,596) R

Budgets savings to be achieved from the March 2011 implementation of a collaborative effort between Community Care of North Carolina Networks and Local Health Departments to improve the quality of perinatal care and ensure that high-risk pregnant women receive the care and case management required. The improved birth outcomes, especially preventing premature births, will reduce state expenditures incurred by the Division of Medical Assistance. (S.L. 2011-391, Sec. 25)

44 Health Homes for Chronically Ill

(\$16,146,384) NR (\$24,739,541) NR

Budgets revenue from the increased federal matching rate for the Health Homes for Chronically Ill Program. The Division of Medical Assistance is taking advantage of the two-year Federal program to enhance comprehensive care management for Medicaid recipients with co-occurring illnesses, including a chronic health condition and severe and persistent mental health condition. The Federal matching rate for this program, during the two-years, is 90%, versus the current rate of approximately 65%.

45 Strengthen and Restructure Program Integrity

(\$19,200,000) R (\$28,000,000) R

Budgets the anticipated savings from the Division of Medical Assistance efforts to reduce, if not eliminate, fraud and abuse in the Medicaid program by restructuring and modernizing current policies and efforts. Through policy and staffing changes and technology improvements, state administrative costs will be reduced, over payments avoided and recovery-of-funds improved.

-30.00

-40.00

46 Generic Substitution for Off-Patent Drugs

(\$7,000,000) R

Budgets anticipated savings in FY 2012-13. In the next 12 months several brand-name drugs are scheduled to go off patent, leading to generic drug substitution savings in FY 2012-13.

47 Modify Pharmacy Services

(\$10,845,441) R (\$14,436,600) R

Budgets savings to be realized by the Division of Medical Assistance through several actions, including: 1) Better management of drug rebates, 2) Ensuring Medicare Part D correctly reimburses Medicaid, 3) Elimination of automatic refills, and 4) For flexibility to modify dispensing fees.

48 Modify Generic Prescription Dispensing Rates

(\$15,000,000) R (\$24,000,000) R

Revises generic drug dispensing rates to increase the rate of generic drugs within the Medicaid Program. (S.L. 2011-145, Sec. 10.48)

49 Behavioral Health Medicaid 1915 b/c Waiver

(\$10,537,931) R (\$52,551,082) R

Expands the capitated behavioral health program to additional Local Management Entities (LMEs). (S.L. 2011-102; S.B. 316)

50 DHHS Savings Through Community Care of North Carolina (CCNC)

(\$90,000,000) R (\$90,000,000) R

Budgets savings to be achieved by DHHS, in conjunction with CCNC Networks and North Carolina Community Care, Inc., through the cooperation of Medicaid health care providers. To the extent these savings are not achieved, DHHS is to undertake whatever actions necessary to affect the savings, including: 1) Reducing provider rates, and 2) Eliminating or reducing the level or duration of optional Medicaid services. (S.L. 2011-145, Sec. 10.47)

51 Modify Optional and Mandatory Services

(\$16,508,903) R (\$22,072,343) R

Budgets savings to be achieved by the Division of Medical Assistance through adjustments to mandatory and optional Medicaid services. These changes include the following services: Optical, Durable Medical Equipment, Specialized Therapies, Home Health, Dental, and a variety of other services. In the event, these savings are not fully achieved, the elimination of optional service requirements may be required. (S.L. 2011-145, Sec. 10.37)

52 Eliminate Inflationary Increases

(\$62,853,775) R (\$130,874,505) R

Eliminates automatic inflation increases for Medicaid providers. The Division of Medical Assistance is not to authorize any inflationary increases to Medicaid provider rates during the 2011-13 biennium, except as set forth in Section 10.37. (S.L. 2011-145, Sec. 10.37)

53 Adjust Provider Rates

(\$46,420,718) R (\$46,458,260) R

Reduces Medicaid provider reimbursement rates. The Division of Medical Assistance is to reduce Medicaid provider rates by 2%, except as provided for in Section 10.37. (S.L. 2011-145, Sec. 10.37)

54 Medicaid Rebase

\$109,693,468 R

Rebases the Medicaid budget to adjust for changes in the number of Medicaid recipients, utilization or consumption of services, mix of services being consumed, inflation for cost-settled providers, and changes to the Federal Medical Assistance Percentage (FMAP).

(7.0) Division of Health Service Regulation**55 Nursing Home Licensure and Certification Funds**

(\$1,792,559) NR (\$1,792,559) NR

Replaces State funds with federal receipts in the Nursing Home Licensure and Certification Section on a non-recurring basis. The receipts come from civil monetary penalties assessed against nursing homes.

(8.0) Division of Social Services**56 Child and Family Team Pilot Elimination**

(\$420,804) R (\$420,804) R

Eliminates pilot funding for local departments of social services that partially supports Child and Family Team positions. Child and Family Teams will continue to work in schools and DSS will continue to provide training and technical assistance to local departments of social services in order for the initiative to continue.

57 Replace State Funding for Child Protective Services

(\$5,040,000) R (\$5,040,000) R

Replaces state funds with federal block grant funds to support Child Protective Services. County departments of social services will receive Social Services Block Grant (SSBG) funds in lieu of state general funds. (S.L. 2011-145, Sec. 10.60(a))

58 Eliminate Special Assistance Intervention Team

(\$103,997) R (\$103,997) R

Eliminates the Special Assistance Intervention team, whose purpose was to provide special assistance and intervention services for low performing counties around child welfare services. The model has not been effective and positions are vacant.

-2.00

-2.00

59 Eliminate State General Funds to Local Departments of Social Services

(\$5,473,985)

R

(\$5,473,985)

R

Continues the reduction in general funds to county departments of social services from the previous biennium. This action eliminates the State general fund contribution to county social services departments to offset the cost of administering public assistance programs. The administrative cost of these programs is shared evenly by the federal and county governments.

60 Use Social Services Block Grant (SSBG) to Support Adult Protective Services

(\$2,000,000)

R

(\$2,000,000)

R

Replaces State funds with federal funds by requiring all counties to use federal SSBG funds to provide adult protective services. This will require 52 counties to begin using their SSBG allocations to provide this mandated service. (S.L. 2011-145, Sec. 10.60(a))

61 Eliminate State Abortion Fund

(\$50,000)

R

(\$50,000)

R

Eliminates funding for the State Abortion Fund. (S.L. 2011-145, Sec. 10.53)

62 Reduce NC Reach Scholarship Funds

(\$1,584,125)

R

(\$1,584,125)

R

Reduces the budget for the NC Reach post-secondary education program by 50%, \$1,584,125, maintaining the program at the FY 2010-11 funding level. (S.L. 2011-145, Sec. 10.54(a))

63 Replace Division Admin Funds with Federal Block Grant

(\$1,389,084)

R

(\$1,389,084)

R

Replaces State funding for the Division of Social Services administrative costs with federal TANF Block Grant funds. (S.L. 2011-145, Sec. 10.60(a))

(9.0) Division of Aging and Adult Services**64 Replace Funding for Long-Term Care Constituent Advocate Program**

(\$200,000)

R

(\$200,000)

R

Replaces State funds with federal Civil Monetary Penalty proceeds to support the Long-Term Care Ombudsman Program, which advocates for the elderly.

65 Eliminate Volunteer Program Development

(\$200,000)

R

(\$200,000)

R

Eliminates funds for the Volunteer Development Program, one of 18 services funded through the Home and Community Care Block Grant. Currently, only 11 counties elect to provide this service.

(11.0) Division of Vocational Rehabilitation**66 Eliminate Recreational Therapists Services**

(\$284,501)

R

(\$284,501)

R

Eliminates recreational therapist services available in only five cities across the state. Four of the five positions to be eliminated are vacant.

-5.00

-5.00

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FY 11-12**FY 12-13****67 Reduce Independent Living Program**

(\$1,774,021) R

(\$1,774,021) R

Reduces State funding for independent living services by 9%.
Services will continue to be prioritized so as to avoid
institutional care.

68 Reduce Basic Support Program

(\$2,067,928) NR

(\$2,067,928) NR

Replaces a portion of the State funds for the Basic Support
Program with unspent federal funds.

Total Legislative Changes

(\$399,756,982) R

(\$438,010,159) R

(\$32,855,714) NR

(\$34,952,672) NR

Total Position Changes

-357.00

-367.00

Revised Budget**\$4,495,126,952****\$4,455,162,933**

Health & Wellness Trust Fund

Budget Code: 23460

	FY 2011-12		FY 2012-13	
Beginning Unreserved Fund Balance	\$32,904,411		\$0	
Recommended Budget				
Requirements	\$27,138,934		\$27,138,934	
Receipts	\$25,779,134		\$25,779,134	
Positions	20.00		20.00	
<hr/>				
Legislative Changes				
Requirements:				
Master Settlement Funds-Health Trust Account	\$0	R	\$0	R
Eliminates the transfer of funds from the Master Settlement Account (MSA) to the Health and Wellness Trust Fund; no funds to be transferred from the MSA to HWTF. Deposits the June 30, 2011 cash balance from MSA payments; \$32,904,411 into the State's General Fund to support health related activities pursuant to Section 6.11 of this act.	\$32,904,411	NR	\$0	NR
	0.00		0.00	
Health and Wellness Trust Fund	(\$27,138,934)	R	(\$27,138,934)	R
Eliminates funding and positions associated with Health and Wellness Trust Fund effective July 1, 2011.	\$0	NR	\$0	NR
	-20.00		-20.00	
Subtotal Legislative Changes	(\$27,138,934)	R	(\$27,138,934)	R
	\$32,904,411	NR	\$0	NR
	-20.00		-20.00	

Receipts:

Health & Wellness Trust Fund	(\$25,779,134)	R	(\$25,779,134)	R
Eliminates receipts within Health and Wellness Trust Fund.	\$0	NR	\$0	NR
Subtotal Legislative Changes	(\$25,779,134)	R	(\$25,779,134)	R
	\$0	NR	\$0	NR

Subcommittee on Health and Human Services

	FY 2011-12	FY 2012-13
Revised Total Requirements	\$32,904,411	\$0
Revised Total Receipts	\$0	\$0
Change in Fund Balance	(\$32,904,411)	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$0	\$0

Special Provisions

2011 Session: HB 22

Department: Health and Human Services

Section: Sec. 7(a)

Title: BUDGET CHANGE: HEALTH and WELLNESS TRUST FUND

Summary Revises Sec. 6.11(b) S.L. 2011-145 to add Roanoke-Chowan CHC Telehealth Network to be funded with the Health and Wellness Trust Funds that are being transferred to the Department of Health and Human Services.

Section: 21A

Title: BUDGET CHANGE: SMART START

Summary Amends S.L. 2011-145, Sec. 10.5, Appropriations Act of 2011, by directing the North Carolina Partnership for Children, Inc. to reduce counties' allocations by no more than 20% for counties with populations less than 35,000 and requires partnerships to match state funds by 10%, of which cash must be at least 7% and in-kind contributions 3%.

Section: 22

Title: BUDGET CHANGE: MORE AT FOUR PROGRAM

Summary Amends S.L. 2011-145, Sec. 10.7(a), Appropriations Act of 2011, by directing Division of Child Development and Early Education (DCDEE) to maintain More At Four's high programmatic standards and ensure services are provided statewide. Allows DCDEE to use a portion of the funds transferred from Department of Public Instruction to provide the necessary services for recruitment, eligibility determination, and child placement within local communities by local Smart Start Partnerships.

Section: 23

Title: TECHNICAL CHANGE: THIRD PARTY BILLING

Summary Repeals S.L. 2011-145, Sec. 10.14, Appropriations Act of 2011, as a result of the passage of S.L. 2011-102 which included the necessary law changes to allow for third party billing by state facilities.

Section: Sec. 24

Title: TECHNICAL CHANGE: MEDICAID PROVIDER ASSESSMENTS

Summary Rewrites the language in S.L. 2011-145, Sec. 10.31A, Appropriations Act of 2011 to be comparable to the hospital assessment program authorized by S.L. 2011-11.

Section: Sec. 25

Title: TECHNICAL CHANGE: PERSONAL CARE SERVICES

Summary Rewrites S.L. 2011-145, Sec. 10.37(a) to 1) indicate that the provision of In-Home Care services shall begin whenever the Centers for Medicare and Medicaid Services (CMS) approves the new services and 2) Upon CMS approval, DMA shall implement a collaborative initiative between CCNC and local health departments to improve perinatal care and the care of women with high-risk pregnancies.

Section: Sec. 26

Title: BUDGET CHANGE: TRANSFER OF FUNDS TO OFFICE OF ADMINISTRATIVE HEARINGS

Summary Rewrites S.L. 2011-145, Sec. 10.40 Appropriations Act of 2011 to clarify that \$1,000,000 in General Funds will be transferred to the Office of Administrative Hearings from the Division of Medical Assistance.

Section: Sec. 26A

Title: TECHNICAL CHANGE: HOME CARE AGENCY LICENSURE MORATORIUM

Summary Amends S.L. 2011-145, Sec. 10.49A, Appropriations Act of 2011 to clarify that all applications from Home Care Agencies received by July 1, 2011, that include payment of the required fees, may be processed.

2011 Session: HB 200

Department: Health and Human Services

Section: 10.1

Title: CHILD CARE SUBSIDY RATES

Summary Sets the maximum gross family income for child care subsidy eligibility at 75 percent of the State Median Income (SMI). Requires families to participate in the cost of care by paying 8,9, or 10 percent of the gross family income based on family size.

This changes current policies by prohibiting the use of child care subsidy funds for facility registration fees, transportation services, and match to the More At Four program. Additionally, the eligibility for post-secondary education allowance is limited to 20 months from the previous allowance of 24 months.

This special provision directs the Division of Child Development to calculate a market rate for each rate category in each county or region. Additionally, this special provision requires that child care services funded through the Work First Block Grant shall comply with all subsidized child care program regulations and procedures. Sets child care subsidy eligibility criteria for legal and illegal noncitizen families in the State.

Section: 10.2

Title: CHILD CARE ALLOCATION FORMULA

Summary Directs DHHS to allocate child care subsidy funds to counties based on the number of children in each county under age 11 in families with all parents working earning less than 75 percent of the State median income.

Also directs DHHS to allocate up to \$20 million in federal block grant funds and State funds outside of the allocation formula to prevent the termination of child care services for children in the subsidy program. Also, DHHS may re-allocate unused voucher funds to counties based upon projected expenditures of all child care subsidy voucher funding.

Section: 10.3

Title: CHILD CARE FUNDS MATCHING REQUIREMENT

Summary Directs that no matching funds may be required by local governments receiving the initial allocation of child care funds. All reallocated funds that exceed \$25,000, beyond a local purchasing agency's initial allocation, require a 20 percent match.

Section: 10.4

Title: CHILD CARE REVOLVING LOAN

Summary Allows DHHS to fund a Child Care Revolving Loan program.

Section: 10.4A

Title: EXPIRATION OF EARLY EDUCATION CERTIFICATION REQUIREMENT

Summary Amends S.L 2010-178 by providing an expiration date of July 1, 2011. S.L. 2010-178 required early childhood teachers to become certified by the NC Institute for Child Development Professionals. (H.B. 738)

Section: 10.5

Title: EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES ENHANCEMENTS

Summary Directs the North Carolina Partnership for Children, Inc. (NCPC) to maintain administrative costs at no more than 8 percent of the total statewide allocation to all local partnerships. Requires that all partnerships participate in competitive bidding practices. Local partnerships must have a thirteen percent (13%) match that comprises ten percent (10%) cash and three percent (3%) of in-kind.

Directs that the North Carolina Partnership for Children Inc., shall not use more than \$80,000 from the General Fund for the salary of any individual employee. Further directs that local partnerships shall not use more than sixty thousand dollars \$60,000 from the General Fund for the salary of any one employee.

Prohibits NCPC from providing grants for capital expenditures and advertising and promotional activities for FY 2011-12 and FY 2012-13. Requires the NCPC to spend at least \$52 million for the TANF maintenance of effort requirement and the Child Care Development Fund Block Grant match requirement on child care subsidies.

(S.L. 2011-391, Sec. 21A, Budget Technical Corrections amends this provision to prohibit North Carolina Partnership for Children, Inc. from reducing allocations for counties with less than 35,000 population by more than 20% of their current allocation level and amends this provision to require partnerships to match contributions of cash at seven percent (7%) and in-kind match at three (3%), for a total match requirement of 10%).

Section: 10.6

Title: ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL SERVICES

Summary Directs the Division of Child Development to decrease the allowance that county departments of social services may use for administrative costs from 5 percent to 4 percent of the county total child care subsidy funds.

Section: 10.7

Title: CONSOLIDATE MORE AT FOUR PROGRAM INTO DIVISION OF CHILD DEVELOPMENT

Summary Directs the Department of Public Instruction and DHHS to consolidate the More at Four Program into the Division of Child Development. Renames the Division of Child Development to The Division of Child Development and Early Education (DCDEE). Further directs DHHS to assume the regulatory and monitoring system as well as the payment and reimbursement system for the program.

Amends G.S. 143B-168.4(a) to modify the structure of the Childcare Commission of DHHS by increasing the total number of members by 2 persons who will have expertise in early childhood education. Directs four and five star rated facilities to teach from a curricula approved and taught by More at Four program facilities.

Continues the More At Four policy of allowing 20% of the total children served to be identified as at-risk for academic failure, regardless of income. Establishes program eligibility, curriculum standards, program quality standards, program subsidy eligibility, and establishes a co-payment requirement.

(S.L 2011 - 391, Sec. 22, Budget Technical Corrections amends this provision to allow DCDEE to utilize some of the transferred funds from DPI to continue contracting with Smart Start Partnerships for the recruitment, eligibility determination, and child placement within local communities for the pre-kindergarten program.)

Section: 10.8

Title: MENTAL HEALTH CHANGES

Summary Requires the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMHDDSAS) to spend \$29,121,644 annually to contract for private hospital in-patient psychiatric beds. DMHDDSAS may reallocate state service funds based on mid-year expenditures of LMEs to maximize the amount of funds spent for services. The Division is required to disburse \$5,700,000 to LMEs to support 30 mobile crisis teams.

Section: 10.8A

Title: JOHNSTON COUNTY LME ADMINISTRATIVE FUNDING

Summary Prohibits the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services from reducing the allocation of administrative funds to Johnston County Local Management Entity for FY2011-12.

Section: 10.9

Title: MH/DD/SAS HEALTH CARE INFORMATION SYSTEM PROJECT

Summary Allows DHHS to use any appropriated funds to develop and implement a health care information system for institutions operated by DMHDDSAS.

Section: 10.10

Title: LME FUNDS FOR SUBSTANCE ABUSE SERVICES

Summary Allows Local Management Entities (LMEs) to use some of their funding to support substance abuse prevention and education activities. Allows up to one percent (1%) of funds to be used for nominal incentives for substance abuse consumers. Continues direction for the Treatment Accountability for Safer Communities (TASC) program. The Department shall allocate up to three hundred thousand dollars (\$300,000) to continue the TASC activities. Additionally, an LME is authorized to hire a single service provider to provide services for all non-Medicaid-eligible drug treatment court participants.

Section: 10.11

Title: MH/DD/SAS COMMUNITY SERVICE FUNDS

Summary Directs DMHDDSAS to reduce allocations to LMEs as necessary to achieve budget reduction of \$20 million. The DMHDDSAS is directed to establish a set of standard benefits that all LMEs will be required to offer to as part of a services package to clients.

The Division is directed to reduce service funds by \$25 million and allocate the reduction based upon available fund balance levels as of June 30, 2010. LMEs must submit quarterly reports showing the level of fund balance expenditures to ensure LMEs are not further reducing services to clients.

The Department must report to the House and Senate Appropriations Subcommittees by December 12, 2011 on the implementation of these changes.

Section: 10.12

Title: CONSOLIDATION OF FORENSIC HEALTH CARE AT DOROTHEA DIX COMPLEX

Summary Directs DHHS to issue a request for proposal to determine the feasibility of contracting for State-delivered forensic care at Dorothea Dix Complex.

Section: 10.13

Title: TRANSITION OF UTILIZATION MANAGEMENT OF COMMUNITY-BASED SERVICES TO LOCAL MANAGEMENT ENTITIES

Summary Directs the Department to collaborate with LMEs to enhance their administrative capabilities to assume utilization management responsibilities of community-based services.

Section: 10.14

Title: THIRD-PARTY BILLING FOR STATE FACILITIES

Summary Amends G.S. 122C-55 to allow facilities to disclose confidential information to government agencies to establish financial benefits for a client. (S.L. 2011-1012; H.B. 424/S.B. 316).

(S.L. 2011-391, Section 23, Budget Technical Corrections, repeals this provision.)

Section: 10.15

Title: COLLABORATION AMONG DEPARTMENTS OF ADMINISTRATION, HEALTH AND HUMAN SERVICES, JUVENILE JUSTICE AND DELINQUENCY PREVENTION, AND PUBLIC INSTRUCTION ON SCHOOL-BASED CHILD AND FAMILY TEAM INITIATIVE

Summary Establishes the School-Based Child and Family Team Initiative as a collaborative initiative involving child serving agencies. Directs the agencies involved to develop and implement strategies aimed at children at risk of school failure or out-of-home placement.

Section: 10.16

Title: DHHS POSITION ELIMINATIONS

Summary Directs DHHS to eliminate up to 250 FTE positions to accomplish a savings of seven million six hundred six thousand dollars (\$7,606,000). The Secretary shall report on number and types of positions eliminated and any impact on receipts by September 30, 2011, to the Joint Appropriations Subcommittee for Health and Human Services and the Fiscal Research Division.

Section: 10.17

Title: DHHS REGULATORY FUNCTIONS STUDY AND PLAN

Summary Directs DHHS to examine regulatory functions of its divisions, report on the findings, and develop a plan for consolidating regulatory functions. The report is due by January 30, 2012 to the Joint Appropriations Subcommittees on Health and Human Services and the Fiscal Research Division.

Section: 10.18

Title: REDUCE FUNDING FOR NONPROFIT ORGANIZATIONS

Summary Directs DHHS to reduce funding to nonprofit organizations by \$5,000,000 on a recurring basis. Directs DHHS to minimize reductions to nonprofit organizations providing direct services, limit reduction to the NC High School Athletic Association to ten percent (10%), and not to reduce funds to nonprofits providing direct service for the developmentally disabled individuals.

Section: 10.19

Title: PROHIBIT USE OF ALL FUNDS FOR PLANNED PARENTHOOD ORGANIZATIONS

Summary Prohibits DHHS from providing State funding and other funds administered by DHHS to Planned Parenthood Inc., and affiliated organizations' contracts.

Section: 10.20

Title: LIABILITY INSURANCE

Summary Authorizes the Department of Health and Human Services (DHHS), Department of Environment and Natural Resources, and Department of Correction to provide medical liability coverage, up to \$1,000,000 per incident, on behalf of:

- Licensed staff of the respective departments;
- Licensed physicians and faculty members of the University of North Carolina (UNC) working under contract with MH/DD/SA; and,
- Physicians in UNC residency training programs working at DHHS institutions.

Section: 10.21

Title: CHANGES TO COMMUNITY-FOCUSED ELIMINATING HEALTH DISPARITIES INITIATIVE

Summary Authorizes up to 12 grants to be awarded from the initiative. Limits applicants to local health departments, hospitals, community-based organizations, and Community Care of North Carolina Networks. The amount of any individual grant is limited to \$300,000. Directs the Office of Minority Health to oversee the initiative and directs DHHS to report its findings by October 1, 2012 to the House of Representatives Subcommittee on HHS Appropriations, the Senate Appropriations Committee on HHS Appropriations and the Fiscal Research Division (FRD).

Section: 10.22

Title: FUNDS FOR SCHOOL NURSES

Summary Directs that all funds appropriated for the School Nurse Initiative be used to supplement and not supplant other State or local funds for school nurses. Establishes a formula for distribution of funds based on new criteria:

- (1) School nurse-to-student ratio.
- (2) Percentage of students eligible for free or reduced meals.
- (3) Percentage of children in poverty.
- (4) Per capita income.
- (5) Eligibility as a low-wealth county.
- (6) Mortality rates for children between 1 and 19 years of age.
- (7) Percentage of students with chronic illnesses.
- (8) Percentage of county population consisting of minority persons.

Section: 10.23

Title: REPLACEMENT OF RECEIPTS FOR CHILD DEVELOPMENT SERVICE AGENCIES

Summary Requires receipts earned by the Child Development Service Agencies to be budgeted on a recurring basis to replace reductions in State appropriations.

Section: 10.24

Title: HEALTH INFORMATION TECHNOLOGY

Summary Directs DHHS to coordinate health information technology (HIT) policies and programs within the State. In doing so, DHHS' goal shall be to ensure the coordination of all public and private HIT efforts. Beginning October 1, 2011, DHHS shall begin reporting quarterly on the status of federal and State HIT efforts to the House of Representatives Subcommittee on HHS, the Senate Appropriations Committee on HHS, and FRD.

Section: 10.25

Title: FUNDS FOR STROKE PREVENTION

Summary Appropriates \$450,000 in SFY 2011-12 and in SFY 2012-13 to DHHS to fund the Heart Disease and Stroke Prevention activities, including the Stroke Advisory Council. (H.B. 443/S.B. 240)

Section: 10.26

Title: AIDS DRUG ASSISTANCE PROGRAM

Summary Directs DHHS to work with the Department of Correction (DOC), to count DOC's expenditures for AIDS pharmaceuticals as State matching funds in order to draw down additional federal Ryan White funds.

Section: 10.26A

Title: MEN'S HEALTH

Summary Directs DHHS to ensure attention to the prevention of disease and the improvement in the quality of life for men over their lifespan.

Section: 10.27

Title: NC HEALTH CHOICE MEDICAL POLICY

Summary Prohibits the Department of Health and Human Services from changing medical policy affecting the NC Health Choice program until a five-year fiscal analysis of the change has been prepared. If the cost of the change in medical policy exceeds \$1 million, then the proposed change must be submitted to the Office of State Budget and Management and the Fiscal Research Division. In addition, if the cost of the proposed change exceeds \$1 million, DHHS may not implement the change until the Department has identified the resources to fund the medical policy. DHHS is to provide OSBM and FRD with quarterly reports itemizing any policy changes.

Section: 10.28

Title: COMMUNITY CARE OF NORTH CAROLINA

Summary Directs DHHS to conduct an actuarial study on the cost savings achieved by CCNC and report the findings to the House of Representatives Appropriations Subcommittee on HHS, the Senate Appropriations Committee on HHS, and FRD.

Directs DHHS and Division of Medical Assistance (DMA) to contract with the North Carolina Community Care Networks, Inc., and the 14 local CCNC networks for the provision of a statewide Enhanced Primary Care Case Management System.

Section: 10.29

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

Summary Authorizes DHHS to utilize \$3,232,304 of prior year earned revenue in FY 2011-12 and \$12,000,000 in FY 2012-13 for the procurement, design, development, implementation, and central management of the MMIS project. Enumerates requisite system capabilities and requires DHHS to make specific reports to the General Assembly on the development and implementation of the MMIS, including by August 1, 2011 a revised schedule for the development, design and implementation of the replacement MMIS system, and beginning July 1, 2011 quarterly reports on the progress in the development and design of the replacement MMIS system.

Section: 10.30

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

Summary Directs DHHS to use \$9,592,332 from funds appropriated in SFY 2011-12 and SFY 2012-13 for the development and implementation of North Carolina Families Accessing Services Through Technology (NC FAST) to match federal funds for project implementation. (H.B. 897)

Section: 10.31

Title: MEDICAID

Summary Establishes policies within the Medicaid program governing recipient eligibility, breadth and intensity of mandatory and optional health care services, and health care providers.

Section: 10.31A

Title: MEDICAID PROVIDER ASSESSMENTS

Summary Authorizes DHHS to implement a Medicaid assessment program according to federal regulations for any health care provider, except hospital providers who are subject to assessments authorized by S.L. 2011-11.

(S.L. 2011-391, Sec 24, Budget Technical Corrections rewrites Sec. 10.31A so that the language concerning hospital providers is comparable to language in S.L. 2011-11.)

Section: 10.32

Title: DMA CONTRACT SHORTFALL

Summary Requires DHHS, DMA to obtain approval from OSBM before entering into new contracts or increasing the cost of current contracts. Also, the Division is directed to save money when possible and to budget any funds appropriated to address a budget shortfall.

Section: 10.33

Title: MEDICAID COST CONTAINMENT ACTIVITIES

Summary Authorizes DHHS in each year of the biennium to use up to \$5 million in Medicaid funds budgeted for program services to support administrative activities to help contain the cost of Medicaid. DHHS shall report by April 15, 2012 on these activities to the House of Representative Appropriations Subcommittee on HHS, the Senate Appropriations Committee on HHS, and FRD.

Section: 10.34

Title: MEDICAID SPECIAL FUND TRANSFER

Summary Appropriates \$43 million in FY 2011-12 and FY 2012-13 pursuant to G.S. 143C-9-1, clarifying that these funds shall not be used to reduce the General Fund revenue to the Medicaid program. Allows DHHS to use Medicaid Special Funds to settle issues between DHHS and the federal government related to audits of Disproportionate Share Hospital payments.

Section: 10.35

Title: ACCOUNTING FOR MEDICAID RECEIVABLES AS NON-TAX REVENUE.

Summary Directs DHHS to deposit Disproportionate Share receipts with the State Treasurer as nontax revenue in the amount of one hundred fifteen million dollars (\$115,000,000) for each year of the biennium.

Section: 10.36

Title: FAMILIES PAY PART OF THE COST OF SERVICES UNDER THE CAP-MR/DD PROGRAM AND THE CAP-CHILDREN'S PROGRAM BASED ON FAMILY INCOME

Summary Directs DHHS, subject to approval by CMS, to develop a schedule of cost-sharing requirements for families with incomes above the Medicaid allowable limit to share in the costs of their child's Medicaid expenses under the CAP-MR/DD and CAP-C programs. Requires that the cost-sharing requirement be included in the new MMIS system.

Section: 10.37

Title: AUTHORIZE THE DIVISION OF MEDICAL ASSISTANCE TO TAKE CERTAIN STEPS TO EFFECTUATE COMPLIANCE WITH BUDGET REDUCTIONS IN THE MEDICAID PROGRAM

Summary Establishes new and revises current Medicaid policies governing mandatory and optional services for recipients, provider reimbursement rates, and modifications of Medicaid services.

Section: 10.38

Title: MEDICAID WAIVER FOR ASSISTED LIVING

Summary Directs DHHS to develop and implement a home- and community-based services program to fund personal care services to individuals living in adult care homes. On or before April 1, 2012 DHHS is to provide a report on the status of approval and implementation of the program to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations Subcommittee on HHS, the Senate Appropriations Committee on HHS, and FRD.

Section: 10.39

Title: PROGRAM INTEGRITY

Summary Authorizes DHHS to require providers to undergo prepayment claims review.

Section: 10.40

Title: TRANSFER TO OFFICE OF ADMINISTRATIVE HEARINGS

Summary Authorizes a transfer of \$1,000,000 in each year of the biennium from DHHS to the Office of Administrative Hearings for administering the Medicaid appeals process.

(S.L. 2011-391, Sec. 26, Budget Technical Corrections clarifies that the \$1,000,000 is to be State General Funds.)

Section: 10.41

Title: NC HEALTH CHOICE

Summary Amends Chapter 108A of the General Statutes (G.S. 108A-54.3) to require amendments to the Health Choice plan to be submitted by the Department. Amends G.S. 108A-70.211(b) making changes to covered services and supplies covered under the Children's Health Insurance Program to brings its services in line with Medicaid, except for Early Periodic Screening, Diagnosis, and Testing Services.

Section: 10.42

Title: MEDICATION THERAPY MANAGEMENT PILOT

Summary Directs DHHS to develop a medication therapy management program. Directs DHHS to report findings of the pilot program to the House and Senate Appropriations Subcommittees on Health and Human Services, and FRD by July 1, 2012.

Section: 10.44

Title: MEDICAID RECIPIENT APPEALS

Summary Directs DHHS to review appeals process for adverse Medicaid determinations to examine its consistency with federal law.

Section: 10.45

Title: DEPARTMENT TO DETERMINE COST-SAVINGS FOR MEDICAID THAT WOULD RESULT FROM PROVISION OF MUSCULOSKELETAL HEALTH SERVICES

Summary Directs DHHS to examine possible Medicaid cost-savings from the provision of musculoskeletal health services. Directs DHHS to report findings to the House and Senate Appropriations Subcommittees on HHS and the Fiscal Research Division of the General Assembly by October 1, 2011.

Section: 10.47

Title: DHHS SAVINGS THROUGH CCNC

Summary Directs DHHS and CCNC to achieve costs savings of \$90,000,000 in both FY 2011-12, and FY 2012-13. Among other initiatives to achieve these savings, DHHS, CCNC, and local LMEs are directed to integrate behavior and physical health services for Medicaid recipients.

On or before October 1, 2011, DHHS is to report on the savings being achieved to the House of Representatives Appropriations Subcommittee on HHS, the Senate Appropriations Committee on HHS, and FRD.

If by October 1, 2011, or anytime thereafter, the required savings are not being achieved the Secretary of DHHS shall reduce provider rates or reduce or eliminate Medicaid services to achieve the necessary savings.

Section: 10.48

Title: INCREASE GENERIC DRUG DISPENSING RATE IN MEDICAID BY REVISING PHARMACY DISPENSING FEES FOR PHARMACISTS THAT DISPENSE HIGH PROPORTIONS OF GENERIC DRUGS

Summary Directs DHHS to achieve costs savings of \$15,000,000 in the Medicaid Program by revising its pharmacy dispensing fees to increase the dispensing of generic prescriptions. By November 1, 2012, DHHS is to report to the House of Representatives Appropriations Subcommittee on HHS, the Senate Appropriations Committee on HHS, and FRD on the savings being achieved. If at any point, the necessary savings are not being achieved DHHS shall reduce the prescription drug reimbursement rates by an amount necessary to achieve the savings.

Section: 10.49

Title: NC NOVA

Summary Allows DHHS to use up to \$38,000 of funds available for FY 2011-12 and FY 2012-13, including federal civil monetary receipts when appropriate, for the NC New Organizational Vision Award (NC NOVA) certification program.

Section: 10.49A

Title: HOME CARE AGENCY LICENSURE MORATORIUM IN-HOME AIDE SERVICES

Summary Establishes a 3-year moratorium, beginning July 1, 2011, on the issuance of licenses by DHHS for home care agencies as defined in G.S. 131 E-136(2) that intend to offer in-home aide services

(S.L. 2011-391, Sec 26A, Budget Technical Corrections rewrites Sec. 10.49A to clarify that all applications from Home Care Agencies received by July 1, 2011, that include payment of the required fees, will be processed)

Section: 10.50

Title: INTENSIVE FAMILY PRESERVATION SERVICES FUNDING AND PERFORMANCE ENHANCEMENTS

Summary Sets forth the standards and reporting requirements for the Intensive Family Preservation Services Program.

Section: 10.51

Title: FOSTER CARE AND ADOPTION ASSISTANCE PAYMENTS RATES

Summary Amends G.S. 108A-49.1 to codify the existing maximum monthly rates for foster care and adoption assistance payments. Holds counties harmless from contributing half of the non-federal share of foster care assistance for children placed in foster care, per provider agreement, on or before October 31, 2008.

Section: 10.52

Title: CHILD CARING INSTITUTIONS

Summary Limits the maximum reimbursement rates for child caring institutions to the rate established by the DHHS Office of the Controller until the Social Services Commission adopts rules setting standardized rates.

Section: 10.53

Title: REPEAL STATE ABORTION FUND

Summary Repeals all statutes related to the State Abortion Fund.

Section: 10.54

Title: CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM

Summary Authorizes \$1,584,125 in each year of the biennium to be used for educational assistance and program administration.

Section: 10.55

Title: TANF BENEFIT IMPLEMENTATION

Summary Approves the Temporary Assistance to Needy Families (TANF) FY 2010-12 State plan and designates the Electing Counties for FY 2010-12.

Section: 10.56

Title: PAYMENTS FOR LIEAP/CIP

Summary Amends G.S. 108A-25.4 to target LIEAP funding to the elderly and to disabled adults. Directs DHHS to provide Crisis Intervention Program (CIP) payments directly to service providers. Maintains the cap on CIP payments at \$600 per household in a fiscal year. (H.B. 57)

Section: 10.58

Title: NON-MEDICAID REIMBURSEMENT CHANGES

Summary Sets annual family income eligibility standards for medical services provided under programs administered by the Division of Services for the Blind and the Division of Vocational Rehabilitation Services. Directs that provider payments shall not exceed Medicaid rates. Directs the Department to achieve reductions required by S.L. 2011-145 by reducing provider rates.

Section: 10.59

Title: STATE-COUNTY SPECIAL ASSISTANCE

Summary Maintains the maximum monthly State-County special assistance rate at \$1,182 for residents in adult care homes and \$1,515 for residents in Alzheimer/Dementia special care units.

Section: 10.60

Title: DHHS BLOCK GRANTS

Summary Appropriates \$903.2 million in federal block grant funds, including \$170 million for Work First, \$60 million for energy assistance payments, \$237 million for child care subsidies, \$22 million for public health initiatives, \$3.8 million for food banks, \$2.5 million for Boys & Girls Clubs, etc. (H.B. 16/S.B. 10, H.B. 147/S.B. 28, H.B. 305/S.B. 239, H.B. 270/S.B. 383)

**NATURAL
&
ECONOMIC
RESOURCES
Section H**

Agriculture and Consumer Services

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$61,754,014		\$61,754,014	
Legislative Changes				
Department-wide				
1 Cell Phones	(\$41,805)	R	(\$41,805)	R
Reduces General Fund appropriation for cell phones across the Department by 25%. The Department is to reduce the actual number of phones by this percentage as well.				
2 Longevity	(\$25,000)	R	(\$25,000)	R
Reduces General Fund appropriation for longevity across the Department to reflect expected longevity needs.				
3 Motor Fleet Management	(\$127,726)	R	(\$127,726)	R
Reduces General Fund appropriation for Motor Fleet Management expenditures across the Department by 10%. The Department is to reduce the actual number of Motor Fleet Management vehicles by 10% as well.				
4 Vacant Positions and Salary Reserve	(\$824,249)	R	(\$824,249)	R
Eliminates 12 vacant positions and fund shifts one position. Of the eliminated positions, 11 were proposed by the Department and one had been vacant for more than one year as of March 2011. The reduction includes salaries and benefits for these positions and salary reserve. Positions eliminated include:				
60011803 Research Tech	\$34,923			
60011834 Technology Support Analyst	\$77,114			
60011858 Lithographic Press Operator III	\$58,413			
60011880 Food Compliance Officer I	\$50,736			
60011976 Food Inspector	\$47,631			
60012083 Veterinarian	\$126,818			
60012226 Veterinary Laboratory Asst I	\$32,834			
60012592 Research Spec	\$49,593			
60012527 Processing Assistant IV	\$40,649			
60012095 Veterinarian	\$106,463			
60012094 Livestock Compliance Officer	\$67,706			
60011911 Chemist	\$42,294			
Salary Reserve	\$12,111			
Fund shifts one position to the Pesticide Environmental Trust Fund:				
60012056 Environmental Toxicologist	\$76,964			

5 Forest Resources

Transfers the Division of Forest Resources from the Department of Environment and Natural Resources to the Department of Agriculture and Consumer Services. (S.B.388; S.L. 2011-145, Sec. 13.25)

(This transfer is also shown in the Department of Environment and Natural Resources section of the Committee Report. See page H-16, item 64.)

6 Soil & Water Conservation

Transfers the Division of Soil and Water Conservation from the Department of Environment and Natural Resources to the Department of Agriculture and Consumer Services. (S.B. 229; S.L. 2011-145, Sec. 13.22A)

(This transfer is also shown in the Department of Environment and Natural Resources section of the Committee Report. See page H-21, item 91.)

7 Sleep Products Section

Transfers the Sleep Products Section of the Division of Environmental Health within the Department of Environment and Natural Resources to the Department of Agriculture and Consumer Services. The Sleep Products Section has eight FTE; the \$630,337 budget is entirely supported by receipts. (S.L. 2011-145, Sec. 13.3)

(This item is also shown in the Department of Environment and Natural Resources section of the Committee Report. See page H-24, item 105.)

Reserves & Transfers

8 S.B. 109 Funds

Provides \$2.4 million to the Department to restore funds taken to meet the requirements of S.L. 2011-15 (S.B. 109). (S.L. 2011-15; S.B. 109)

\$2,400,000 NR

9 Tobacco Trust Fund

Provides General Fund appropriation for the operation of the Tobacco Trust Fund (TTF). Beginning in FY 2011-12, MSA funds are transferred to the General Fund, not directly to TTF. These funds shall be used for administration, grants, and all costs associated with the enforcement of the MSA formerly covered by payments from both TTF and the Health & Wellness Trust Fund. (S.L. 2011-145, Sec. 6.11)

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

Administration**10 Ag. Development and Farmland Preservation Trust Fund**

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

Reduces funding for the Agricultural Development and Farmland Preservation Trust Fund by 15%. This leaves \$1.7 million to be appropriated to the Trust Fund.

11 Cooperative Grading Service Charge

(\$20,000) R (\$20,000) R

Reduces General Fund support for the General Administration Division, replacing these funds with \$20,000 paid by the Cooperative Grading Program for budgeting, accounting, and HR services provided by the Division.

12 Ag in the Classroom

(\$22,077) R (\$22,077) R

Transfers the appropriation for Ag in the Classroom to Commerce State-Aid. All nonprofits funded by the Natural and Economic Resources Subcommittee will now be funded out of Commerce State-Aid.

(This transfer is also shown in the Commerce State-Aid section of the Committee Report. See page H-60, item 166.)

13 FFA Foundation

(\$44,154) R (\$44,154) R

Transfers the appropriation for the FFA Foundation to Commerce State-Aid. A 15% reduction will be taken when the funds are added into the Commerce State-Aid section, leaving \$37,531. All nonprofits funded by the Natural and Economic Resources Subcommittee will now be funded out of Commerce State-Aid.

(This transfer is also shown in the Commerce State-Aid section of the Committee Report. See page H-61, item 173.)

Agronomics**14 Soil Testing Fees**

(\$50,000) R (\$50,000) R

Implements two fees related to soil testing: (1) A fee for soil tests on samples sent to the Department from outside of North Carolina and (2) a fee for expedited soil testing. The fee for out-of-state soil tests shall not be less than \$5. The expedited service will be for bulk samples and the fee shall not be less than \$100. (S.L. 2011-145, Sec. 31.7)

15 Lime Tonnage Fee

(\$250,000) R (\$250,000) R

Replaces General Fund appropriation with an increase in the lime tonnage fee. The fee will be increased from \$0.10 per ton to \$0.50 per ton. All receipts from this increase will be used to support the soil testing program in the Agronomic Services Division. This fee has not been increased since 1979. (S.L. 2011-145, Sec. 31.9)

Food & Drug**16 Antifreeze Registration**

(\$75,000)	R	(\$75,000)	R
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Increases the fee for antifreeze registration from \$250 to \$500 for each brand of antifreeze. This fee has not been increased since 1979. (S.L. 2011-145, Sec. 31.10)

17 Grade "A" Milk

\$811,175	R	\$811,175	R
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Transfers the Grade "A" Milk program from the Division of Environmental Health within the Department of Environment and Natural Resources to the Division of Food & Drug Protection within the Department of Agriculture and Consumer Services. (S.L. 2011-145, Sec. 13.3)

7.00		7.00	
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(This transfer is also shown in the Department of Environment and Natural Resources section of the Committee Report. See page H-25, item 106.)

Food Distribution**18 Administrative Position**

(\$43,235)	R	(\$43,235)	R
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Eliminates one administrative position within the Food Distribution Division. The reduction includes salaries and benefits for this position.

-1.00		-1.00	
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60012718 Office Assistant III \$43,235

19 Position to Federal Receipts

(\$48,608)	R	(\$48,608)	R
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Transfers funding for one Storeroom Manager from General Fund support to federal receipts. The reduction includes salaries and benefits for this position.

-1.00		-1.00	
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60012736 Storeroom Manager \$48,608

Markets**20 Piedmont Farmers Market**

(\$22,000)	R	(\$22,000)	R
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Eliminates General Fund support for the Piedmont Farmers Market. This market will now operate as a self-supporting enterprise budgeted in an Enterprise Fund like the Raleigh Farmers Market.

21 Lumberton Ag Center and Farmers Market

(\$362,230)	R	(\$362,230)	R
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Eliminates recurring funding for the Lumberton Agricultural Center and Farmers Market and makes the funding nonrecurring for FY 2011-12. The Fiscal Research Division will perform a Justification Review of this program. (S.L. 2011-145, Sec. 6.6)

\$362,230	NR		
		-6.00	

22 International Marketing

Provides \$500,000 NR for international marketing of North Carolina agricultural products.

\$500,000	NR		
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2011 Annotated Committee Report

FY11-12

FY12-13

Plant Industry

23 Over-realized License Revenue

(\$50,000)	R	(\$50,000)	R
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Directs the Plant Industry Division to budget over-realized receipts from business licenses in the Seed and Fertilizer Section.

24 Plant Conservation

(\$68,481)	R	(\$68,481)	R
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Eliminates General Fund support for the Plant Conservation program and transfers the program to receipts provided by the Natural Heritage Trust Fund. This transfer fund shifts the salary and benefits of one position:

-1.00		-1.00	
-------	--	-------	--

60012489 Plant Ecologist \$68,481

(S.L. 2011-145, Sec. 13.16)

Research Stations

25 Research Grant Funds

(\$50,000)	R	(\$50,000)	R
------------	---	------------	---

Reduces General Fund support for the research stations by \$50,000 and directs the Division to increase receipts from University research grants accordingly. Currently few researchers provide funding to the research stations for the services they provide. Researchers are encouraged to include operating support for the research stations in grant proposals and to compensate the research stations for the services they provide.

Vet Services

26 Administrative Position

(\$51,990)	R	(\$51,990)	R
------------	---	------------	---

Eliminates one administrative position from the Division of Veterinary Services. The Division is to determine which position to eliminate. The reduction reflects the average salary and benefits of an administrative position within the Division.

-1.00		-1.00	
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27 License Fees

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

Increases the license fee for pet shops, public auctions, boarding kennels, and dealers as defined in G.S. 19A-23 from \$50 to \$75. This fee was last increased in 1989. (S.L. 2011-145, Sec. 31.5)

28 Animal Welfare Services

\$120,000	R	\$120,000	R
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Provides two positions and funds for the Animal Welfare Services program to support operations. (S.L. 2011-145, Sec. 11.7)

2.00		2.00	
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Total Legislative Changes	(\$1,555,380)	R	(\$1,555,380)	R
	\$5,262,230	NR	\$2,000,000	NR
Total Position Changes	-8.00		-14.00	
Revised Budget	\$65,460,864		\$62,198,634	

Special Provisions

2011 Session: HB 200

Department: Agriculture and Consumer Services

Section: 11.2

Title: REPEAL BOARD OF AGRICULTURE REVIEW OF FEE SCHEDULES

Summary Repeals the biennial review of fees required in G.S. 106-6.1(b). This review of fees was implemented in FY 2009-10.

Section: 11.7

Title: RECLASSIFY VACANT POSITION WITHIN DACS TO ANIMAL WELFARE PROGRAM

Summary Directs the Department to reclassify a vacant position to support the Animal Welfare Program.

Section: 31.5

Title: NER/AGRICULTURE/INCREASE FEES FOR PET SHOPS, AUCTION, KENNELS, AND DEALERS

Summary Amends G.S. 19A-27, 28, and 29 to increase the license fee required to operate pet shops, public auctions, and boarding kennels and to act as a dealer from \$50 to \$75 annually.

Section: 31.7

Title: NER/AGRICULTURE/FEES FOR OUT-OF-STATE SOIL TESTS AND EXPEDITED SOIL TESTS

Summary Amends G.S. 106-22 to implement two new fees related to soil testing. First, the Department is directed to charge at least \$5 for soil tests requested on samples submitted from out-of-state. Second, the Department is directed to begin an expedited soil testing service and to charge not less than \$100 for this service. It is expected that the expedited service will be a bulk testing service for 32 to 36 soil samples.

Section: 31.8

Title: NER/AGRICULTURE/TECHNICAL CORRECTIONS REGARDING COMMERCIAL FERTILIZER INSPECTION FEE, PESTICIDE TECHNICIAN IDENTIFICATION CARD RENEWAL FEE, AND PESTICIDE DEALER LICENSE RENEWAL FEE

Summary Makes technical and conforming changes to the General Statutes for certain Agriculture fees increased in FY 2009-10. Corrections include changing the inspection fee for commercial fertilizer from \$0.25 per ton to \$0.50 per ton, the renewal fee for a registered pesticide technician's identification card from \$25 to \$40, and the renewal fee for a pesticide dealer's license from \$50 to \$75.

Section: 31.9

Title: NER/AGRICULTURE/INCREASE AGRICULTURAL LIMING MATERIALS TONNAGE FEES

Summary Amends G.S. 106-92.8 to increase the tonnage fee for agricultural liming material from \$0.10 per ton to \$0.50 per ton.

Section: 31.10

Title: **NER/AGRICULTURE/INCREASE ANTIFREEZE DISTRIBUTION REGISTRATION FEE**

Summary Amends G.S. 106-579.4 to increase the license and inspection fee for each brand of antifreeze from \$250 per brand to \$500 per brand.

Labor

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$16,842,679		\$16,842,679	
Legislative Changes				
Department-Wide				
29 Cell Phones	(\$10,074)	R	(\$10,074)	R
Reduces General Fund appropriation for cell phones across the Department by 25%. The Department is to reduce the actual number of phones by this percentage as well.				
30 Motor Fleet Management	(\$22,635)	R	(\$22,635)	R
Reduces General Fund appropriation for Motor Fleet Management expenditures across the Department by 10%. The Department is to reduce the actual number of Motor Fleet Management vehicles by this percentage as well.				
Administration				
31 Operating Budget	(\$81,241)	R	(\$81,241)	R
Reduces the operating budget for the Administration Division.				
32 IT Operating Budget	(\$255,000)	R	(\$255,000)	R
Reduces the IT operating budget for the Administration Division.				
33 Vacant Position	(\$48,414)	R	(\$48,414)	R
Eliminates the salary and benefits of 1.0 vacant position:				
	-1.00		-1.00	
60012904 Labor Library Assistant \$48,414				
Occupational Safety and Health				
34 Agricultural Safety & Health Vacant Position and Salary Reserve	(\$79,339)	R	(\$79,339)	R
Eliminates the salary and benefits of 1.0 vacant Agricultural Safety & Health position and department-wide salary reserve:				
	-1.00		-1.00	
60013261 Agricultural Safety & Health Officer \$53,579				
Department-wide salary reserve \$25,760				

Standards and Inspections**35 Apprenticeship Bureau**

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

(This transfer from Commerce also appears in the Commerce section of the Committee Report. See page H-53, item 165.)

36 Mine & Quarry Vacant Position and Salary Reserve

(\$81,560)	R	(\$81,560)	R
------------	---	------------	---

Eliminates salary and benefits of 1.0 vacant position in the Mine & Quarry Bureau and department-wide salary reserve:

-1.00	-1.00
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60012967 Mine Safety & Health Representative	\$69,900
Department-wide salary reserve	\$11,660

37 Employment Discrimination Bureau Vacant Position

(\$83,622)	R	(\$83,622)	R
------------	---	------------	---

Eliminates the salary, benefits, salary reserve, and operating costs associated with 1.0 vacant position:

-1.00	-1.00
-------	-------

60013056 Employment Discrimination Investigator	\$70,116
Salary reserve	\$7,981
Operating costs	\$5,525

38 Positions to Receipts and Reduction to Department-wide Salary Reserve

(\$343,907)	R	(\$343,907)	R
-------------	---	-------------	---

Shifts the salary and benefits of 5.0 positions to receipt support:

-5.00	-5.00
-------	-------

60013001 Executive Assistant I	\$56,190
60012894 Accounting Technician	\$45,991
60012897 Administrative Assistant I	\$53,488
60012899 Accounting Technician	\$52,688
60012982 Deputy Commissioner Standards & Insp.	\$114,402

Department-wide Salary Reserve	\$21,148
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Total Legislative Changes

(\$1,005,792)	R	(\$1,005,792)	R
---------------	---	---------------	---

Total Position Changes

-9.00	-9.00
-------	-------

Revised Budget

\$15,836,887	\$15,836,887
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Special Provisions

2011 Session: HB 200

Department: Labor

Section: 12.1

Title: **LABOR/REPEAL STATUTE REQUIRING BIENNIAL REVIEW OF FEES BY DEPARTMENT**

Summary Repeals the biennial review of fees required in G.S. 95-14.1. This review of fees was implemented in FY 2009-10.

Environment & Natural Resources

GENERAL FUND

		FY 11-12		FY 12-13	
Adjusted Continuation Budget		\$188,972,401		\$188,972,401	
Legislative Changes					
(1.0) Department-wide					
39 Cell Phones		(\$112,250)	R	(\$112,250)	R
Reduces General Fund appropriation for cell phones across the Department by 25%. The Department is to reduce the actual number of phones by this percentage as well.					
40 Longevity		(\$100,000)	R	(\$100,000)	R
Reduces General Fund appropriation for longevity across the Department to reflect expected longevity needs.					
41 Filled and Vacant Positions		(\$1,099,424)	R	(\$1,099,424)	R
Eliminates funding for the salaries and benefits of 11.22 positions and associated operating costs across the Department of Environment and Natural Resources:					
		-11.22		-11.22	
60035980 Artist Illustrator II	(1.00)	\$53,067			
60035995 Personnel Analyst I	(1.00)	\$50,036			
60035987 Workers' Comp Program Manager	(1.00)	\$69,074			
60035072 Environmental Program Supv II	(0.22)	\$20,436			
60035963 Environmental Specialist	(1.00)	\$57,919			
60035956 Environmental Specialist	(1.00)	\$71,954			
60036076 GIS Specialist	(1.00)	\$89,804			
60035006 Nat. Science Curator I	(1.00)	\$42,294			
60033392 Design Tech.	(1.00)	\$42,498			
60036022 Business Officer	(1.00)	\$59,883			
60032483 Engineer	(1.00)	\$61,444			
60032572 Deputy CIO	(1.00)	\$116,417			
Operating Costs		\$364,598			
(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, amends this item to correct the position number for the Deputy CIO to #60032572 from #69932572.)					
42 Motor Fleet Management		(\$265,029)	R	(\$265,029)	R
Reduces General Fund appropriation for Motor Fleet Management expenditures across the Department by 15%. The Department is to reduce the actual number of Motor Fleet Management vehicles by 15% as well.					

43 Funds for S.B. 709

Provides \$100,000 NR for FY 2011-12 to the Department, contingent upon the adoption of S.B. 709, "Energy Jobs Act," in order to fulfill the requirements of the bill. These funds shall come from the Mercury Pollution Prevention Fund in the Department of Environment and Natural Resources.

(S.B. 709 was vetoed by the Governor on June 30, 2011.)

44 Funds for H.B. 242

Provides \$100,000 NR for FY 2011-12 to the Department, contingent upon the adoption of H.B. 242, "Nat'l Gas/ Bonds/ Fees/ Studies," in order to fulfill the requirements of the bill. These funds shall come from the Mercury Pollution Prevention Fund in the Department of Environment and Natural Resources. (S.L. 2011-276; H.B. 242)

(1.0) Reserves & Transfers**45 Clean Water State Revolving Fund**

Directs the Department to use \$5,567,165 of its loan origination fee fund to provide the 20% State match needed to draw down the maximum available federal funds for the Clean Water State Revolving Fund for FY 2011-12. The US EPA has given the Department permission to use these funds for FY 2011-12 only.

46 Drinking Water State Revolving Fund

Provides funding to meet the 20% State match requirement for drawing down the maximum available federal funds for the Drinking Water State Revolving Fund for FY 2011-12.

\$7,118,600 NR

47 Nature Research Center Operating Reserve

Provides funds for the operations of the Nature Research Center building. The Center is scheduled to open in the spring of 2012. These funds are to be transferred to the Department of Administration for utilities, custodial services, maintenance, pest control, etc.

\$417,498 R \$1,253,590 R

48 Nature Research Center Program Operating Reserve

Provides the operating funds and staff required to open the Nature Research Center in the spring of 2012.

\$1,465,460 R \$2,269,798 R

22.00

22.00

49 Green Square Office Building Operating Reserve

Provides funds for the operations of the Green Square office building, which DENR plans to move into during the summer of 2011. These funds are to be transferred to the Department of Administration for utilities, custodial services, maintenance, pest control, etc.

\$956,408 R \$1,056,408 R

50 Plains Barn Operating Reserve

\$128,409 R

\$128,409 R

Provides the operating funds and staff needed to operate the plains barn and paddock at the North Carolina Zoo.

1.50

1.50

51 State Park System Operating Reserve

\$143,030 R

\$364,812 R

Provides the operating funds and staff for a new boat ramp at Kerr Lake State Recreation Area and new facilities and trails at Grandfather Mountain, Gorges, and Deep River State Parks. Since the projects for Kerr Lake State Recreation Area and Gorges State Park will not be complete until later in 2011, positions included for these locations shall have an effective date of April 1, 2012.

5.00

5.00

52 Grassroots Science Museums Collaborative

(\$3,411,713) R

(\$3,411,713) R

Transfers the appropriation for the Grassroots Science Museums Collaborative to Commerce State-Aid. A 15% reduction will be taken when the funds are added into the Commerce State-Aid section, leaving \$2,899,885. All nonprofits funded by the Natural and Economic Resources Subcommittee will now be funded out of Commerce State-Aid. (S.L. 2011-145, Sec. 14.11)

(The transfer into Commerce State-Aid also appears in the Commerce State-Aid section of the Committee Report. See page H-61, item 174.)

53 Partnership for the Sounds

(\$481,560) R

(\$481,560) R

Transfers the appropriation for the Partnership for the Sounds to Commerce State-Aid. A 15% reduction will be taken when the funds are added into the Commerce State-Aid section, leaving \$409,326 recurring. All nonprofits funded by the Natural and Economic Resources Subcommittee will now be funded out of Commerce State-Aid.

(The transfer into Commerce State-Aid also appears in the Commerce State-Aid section of the Committee Report. See page H-62, item 182.)

(1.0) Administration**54 Vacant Positions**

(\$159,051) R

(\$159,051) R

Eliminates two positions within the administrative area of the Department. These two positions had been vacant for more than a year as of March 2011. The reduction includes salaries and benefits for these positions.

-2.00

-2.00

60036049 Departmental Purchasing Agent II \$63,832
60036070 Networking Specialist \$95,219

55 Office of Environmental Education and Public Affairs

(\$246,134) R

(\$246,134) R

Reduces the environmental education responsibilities of the Office of Environmental Education and Public Affairs, with two positions to remain to administer the environmental teacher certification program and serve as a liaison with the Department of Public Instruction.

-3.00

-3.00

60036088 Edu. Dev. Consultant \$65,772
 60036090 Edu. Dev. Consultant \$75,019
 60036091 Edu. Dev. Consultant \$63,925

(1.0) Aquariums**56 Gate Admissions**

(\$2,000,000) R

(\$2,250,000) R

Reduces General Fund support for the aquariums and budgets \$2 million in gate admissions collected by the three aquariums. Currently, all gate admissions are budgeted in a special fund and are used for capital projects, repairs, maintenance, exhibits, etc. Over \$7.5 million from the General Fund will continue to be used to support the aquariums.

(1.0) Conservation Planning & Comm. Affairs**57 Working Lands Program**

(\$78,195) R

(\$78,195) R

Eliminates the Working Lands Program and the position associated with this program.

-1.00

-1.00

60036193 Program Development Coordinator \$78,195

58 Program Staff

(\$279,271) R

(\$279,271) R

Eliminates all remaining General Fund support for the Office of Conservation Planning & Community Affairs and replaces these funds with receipts from the Natural Heritage Trust Fund. All operating expenses and the salaries and benefits associated with three positions are transferred to receipts.

-3.00

-3.00

60036191 Program Dev Coordinator \$80,859
 60036192 Program Dev Coordinator \$84,110
 60036213 Edu. Dev. Consultant \$79,213

(S.L. 2011-145, Sec. 13.16)

(1.0) Forest Resources**59 Positions to Receipt Support**

(\$485,148)	R	(\$485,148)	R
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Reduces General Fund support for 13 positions, replacing these funds with receipts. Several of the positions shifted are partial positions; in total, 8.8 FTE are transferred to receipts. Positions and the amount shifted to receipts are listed below:

-8.80	-8.80
-------	-------

60031721 Office Assistant III	\$16,635 (0.4 FTE)
60031762 Office Assistant III	\$14,260 (0.4 FTE)
60031781 Office Assistant III	\$16,918 (0.4 FTE)
60031786 Office Assistant III	\$16,584 (0.4 FTE)
60031808 Office Assistant III	\$16,182 (0.4 FTE)
60031919 Office Assistant III	\$14,273 (0.4 FTE)
60031944 Office Assistant III	\$15,085 (0.4 FTE)
60031995 Forester III	\$80,712 (1.0 FTE)
60032202 Extension Educ & Training Spec.	\$64,914 (1.0 FTE)
60032214 Forester III	\$73,953 (1.0 FTE)
60032220 Forestry Technician	\$55,449 (1.0 FTE)
60032221 Forestry Technician	\$50,847 (1.0 FTE)
60032224 Accounting Clerk V	\$49,336 (1.0 FTE)

60 Operating Reduction

(\$2,448,094)	R	(\$2,548,094)	R
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Reduces operating expenses of the Division.

61 Vacant Position

(\$31,504)	R	(\$31,504)	R
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Eliminates one vacant position in the Division that had been vacant for more than one year as of March 2011.

-1.00	-1.00
-------	-------

60031683 Cook	\$31,504
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62 Turnbull Educational State Forest

(\$87,317)	R	(\$87,317)	R
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Replaces General Fund appropriation for the Turnbull Educational State Forest with receipts generated by the Turnbull forest.

-1.00	-1.00
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63 Aviation Base System

(\$40,000)	R	(\$40,000)	R
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Directs the Division to transition to a three base system for aircraft. Currently the Division operates nine bases across the State. The Conklin & de Decker report issued in late 2010 recommended the three base system.

64 Forest Resources

Transfers the Division of Forest Resources from the Department of Environment and Natural Resources to the Department of Agriculture and Consumer Services. (S.B. 388; S.L. 2011-145, Sec. 13.25)

(The transfer is also shown in the Department of Agriculture and Consumer Services section of the Committee Report. See page H-2, item 5.)

(1.0) Marine Fisheries**65 Operating Expenses**

(\$168,910)	R	(\$168,910)	R
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Reduces operating expenses across the Division.

66 Operating Expenses to Receipt Support

(\$200,000)	R	(\$200,000)	R
-------------	---	-------------	---

Transfers operating expenses within the Division to commercial fishing receipts.

67 Position Changes

(\$202,937)	R	(\$202,937)	R
-------------	---	-------------	---

Eliminates three permanent positions within the Division: one vacant, two filled, and one temporary position.

-3.00		-3.00	
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Filled

60032651 M.F. Biologist II \$67,900

60032556 M.F. Biologist II \$56,225

Vacant

60032552 Processing Asst IV \$38,761

Temporary Position \$40,051

68 Positions to Receipt Support

(\$297,116)	R	(\$297,116)	R
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Transfers the salaries and benefits of six positions to federal grant funds.

-6.00		-6.00	
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60032644 Marine Fisheries Biologist II \$52,330

60032649 Marine Fisheries Technician II \$38,586

60032560 Marine Fisheries Biologist II \$62,495

60032650 Marine Fisheries Technician III \$52,789

60032645 Marine Fisheries Technician II \$38,586

60032642 Marine Fisheries Biologist II \$52,330

69 Columbia Office

(\$55,902)	R	(\$55,902)	R
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Closes the Columbia Office of the Division of Marine Fisheries. This reduction includes rent and operating expenses associated with the office.

70 River Herring Program

(\$85,000)	R	(\$85,000)	R
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Reduces funding for river herring research. This reduction leaves approximately \$65,000 and one position to continue to monitor river herring.

71 Oyster Sanctuary Program

(\$1,451,778)	R	(\$1,451,778)	R
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Eliminates funding for the Oyster Sanctuary Program.

(S.L. 2011-145, Sec. 13.18 and 13.18A)

72 Shellfish Rehabilitation Program

(\$260,000) R

(\$260,000) R

Reduces funding for the Shellfish Rehabilitation program, leaving \$315,000 to support the Oyster Shell Recycling program and oyster sanctuary construction projects. This reduction reduces operating funds.

(S.L. 2011-145, Sec. 13.18 and 13.18A)

73 Shellfish Mapping Program

(\$281,168) R

(\$281,168) R

Reduces operating funds as well as the salaries and benefits for five positions associated with the Shellfish Mapping Program. Four of these positions are filled and one is vacant.

-5.00

-5.00

Filled

60032712 M.F. Technician II \$ 40,200

60032771 M.F. Technician II \$ 40,200

60032713 M.F. Technician II \$ 39,328

60032774 M.F. Technician II \$ 38,586

Vacant

60032773 M.F. Technician II \$ 38,896

74 Fishery Resource Grant Program

(\$200,000) R

(\$200,000) R

Reduces the Fishery Resource Grant Program. This program is funded by the Division of Marine Fisheries but is operated by the SeaGrant program at North Carolina State University.

75 Shellfish Sanitation and Recreational Water Quality

\$1,772,789 R

\$1,772,789 R

Moves the Shellfish Sanitation and Recreational Water Quality program from the Division of Environmental Health to the Division of Marine Fisheries. (S.L. 2011-145, Sec. 13.3)

24.75

24.75

(This transfer is also shown in the Division of Environmental Health. See page H-25, item 107.)

(1.0) Museum of Natural Sciences**76 Position Changes**

(\$245,180) R

(\$245,180) R

Eliminates five filled positions within the Division. This reduction includes the salaries and benefits of these positions.

-5.00

-5.00

60035038 Natural Science Curator I \$47,502

60035013 Art Exhibit Design Technician \$48,617

60034968 Art Exhibit Design Technician \$46,310

60034980 Natural Science Research Curator II \$62,733

60034966 Maintenance Mechanic II \$40,018

77 Temporary Wages

(\$189,732) R

(\$189,732) R

Reduces temporary wages in the Division.

(1.0) North Carolina Zoo**78 Operating Expenses**

(\$806,396)	R	(\$806,396)	R
-------------	---	-------------	---

Reduces General Fund operating expenses at the NC Zoo by approximately 6.5%. The NC Zoo may offset this reduction by increasing fees for gate admissions by \$2.

79 Operations to Receipt Support

(\$493,604)	R	(\$493,604)	R
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Budgets \$493,604 in receipts generated by the NC Zoo from revenue sources such as gate admissions, carousel rides, and stroller rentals. These receipts are over-realized and are currently deposited into the Special Zoo Fund.

80 Gift Shops

(\$603,198)	R	(\$603,198)	R
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Outsources at least three gift shops operated by the North Carolina Zoo. Outsourcing the NC Zoo's gift shops will eliminate six filled positions and one vacant position.

-7.00		-7.00	
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60033433 Sales Manager I	\$33,260
60033304 Sales Manager I	\$32,505
60033404 Sales Manager I	\$34,235
60033403 Sales Manager II	\$35,133
60033402 Sales Manager II	\$36,506
60033459 Stock Clerk I	\$34,203
60033405 Sales Manager I	\$32,505

(S.L. 2011-145, Sec. 13.24)

81 Vacant Positions

(\$68,846)	R	(\$68,846)	R
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Eliminates two positions in the Division that had been vacant for more than one year as of March 2011. This reduction includes the salaries and benefits for these positions.

-2.00		-2.00	
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60033308 Grounds Worker	\$32,505
60033295 Vehicle Operator II	\$36,341

(1.0) Parks & Recreation**82 Vacant Positions**

(\$856,447)	R	(\$856,447)	R
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Eliminates 18 vacant positions within the Division of Parks & Recreation. The Department shall determine which 18 vacant positions shall be eliminated, and may reduce operating funds to reach the exact reduction required by this item.

-18.00		-18.00	
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(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, amends this item by deleting the list of 18 vacant positions to be eliminated, giving the Department the flexibility to select the 18 vacant positions to eliminate.)

83 Operating Expenses

(\$6,000,000)	NR	(\$6,000,000)	NR
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Transfers \$6 million in Parks and Recreation Trust Fund receipts to the Division of Parks and Recreation to support park operations for the biennium. (S.L. 2011-145, Sec. 13.11C)

84 Operation Reduction

(\$1,012,500) R

(\$1,012,500) R

Reduces operating expenses for the Division of Parks and Recreation.

(1.0) Soil & Water Conservation**85 Operating Reduction**

(\$28,719) R

(\$28,719) R

Reduces operating expenses in the Division.

86 Filled Positions

(\$105,990) R

(\$105,990) R

Eliminates the salary and benefits of two filled positions in the Division.

-2.00

-2.00

60032335 Environmental Specialist \$53,355

60032377 Info & Communication Spec. I \$52,635

87 Soil & Water Conservation Districts

(\$68,000) R

(\$68,000) R

Reduces funding for soil and water conservation districts by \$708 per district. This reduction cuts local matching funds by 10%, or \$400 per district. The remainder of the reduction is from funds provided for subsistence expenses for local Supervisors. This reduction means that lunch will no longer be reimbursed on days when the local district boards meet.

88 Routine Animal Operating Inspections

(\$421,076) R

(\$421,076) R

Ends the routine operating inspections of animal operations performed by the Division. Both the Division of Soil & Water Conservation and the Division of Water Quality inspect these operations. This reduction eliminates six positions, their salaries and benefits, and associated operating costs. Three positions remain to provide technical assistance, conduct voluntary inspections, and respond to critical emergencies.

-6.00

-6.00

60032353 Env. Specialist \$60,358

60032354 Env. Specialist \$51,649

60032355 Env. Program Supervisor II \$83,575

60032358 Engineer \$61,444

60032366 Env. Specialist \$53,698

60032356 Env. Specialist \$56,222

(S.L. 2011-145, Sec. 13.22)

(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, amends this item by moving position #60032341 from the Routine Animal Operating Inspections program to the Cooperative Soil Survey Program. This change accurately reflects the program which supports the position.)

89 Cooperative Soil Survey Program

(\$157,001) R

(\$157,001) R

Reduces operating funds and positions that support the Cooperative Soil Survey Program. This program conducts soil surveys that show the nature and distribution of various kinds of soil within a county and are used on a technical basis for land use decisions. This activity will now be carried out by local governments and the USDA Natural Resource Conservation Service. Two position remain to provide technical assistance to local governments.

-3.00

-3.00

60032322 Soil Specialist \$52,676
 60032324 Soil Specialist \$52,676
 60032341 Soil Scientist \$51,649

(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, amends this item by moving position #60032341 from the Routine Animal Operating Inspections program to the Cooperative Soil Survey Program. This change accurately reflects the program which supports the position.)

90 Animal Waste Pilot Program

(\$51,880) R

(\$51,880) R

Ends the Animal Waste Pilot Program extended in S.L.2009-84. The pilot program currently operates in four counties (Pender, Jones, Columbus, and Brunswick) and is scheduled to sunset in September of 2011. There is one position associated with this program. This reduction includes salary and benefits for this position.

-1.00

-1.00

60032357 Environmental Specialist \$51,880

(S.L. 2011-145, Sec. 13.21)

(S.L. 2011-391, Sec. 29, 2011 Budget Technical Corrections, extends the Pilot Program for Annual Inspections of Certain Animal Operations through June 30, 2013.)

91 Soil & Water Conservation

Transfers the Division of Soil and Water Conservation from the Department of Environment and Natural Resources to the Department of Agriculture and Consumer Services. (S.B. 229; S.L. 2011-145, Section 13.22A)

(This transfer is also shown in the Department of Agriculture and Consumer Services section of the Committee Report. See page H-2, item 6.)

(2.0) Coastal Management**92 Positions to Receipt Support**

(\$314,075) R (\$314,075) R

Shifts the salary and benefits of 5.0 positions to receipt support:

-5.00 -5.00

60031539	Office Assistant IV	\$47,372
60031553	District Planner	\$61,397
60031533	Asst Major Permit Coordinator	\$63,651
60031546	Rule Making & Policy Analyst	\$68,840
60031601	Compliance & Enforcement Field Rep.	\$72,815

93 Raleigh Office

(\$109,523) R (\$109,523) R

Closes the Raleigh Office of the Division of Coastal Management and eliminates 1.0 filled receipt-supported position. The Department shall fund shift other positions and operating costs within the Division to be supported by these federal receipts.

-1.00 -1.00

60031545 Asst Dir For Policy & Planning \$109,523

(2.0) Environmental Assistance and Outreach**94 Filled Position**

(\$113,994) R (\$113,994) R

Eliminates the salary and benefits of 1.0 filled position:

-1.00 -1.00

60035066 Environmental Program Manager \$113,994

95 Customer Service Liaisons

Directs the Division of Environmental Assistance and Outreach to provide a minimum of one Customer Service Liaison for each of the Department's Regional Offices in order to address customer services issues, complaints, information requests, and the like.

(2.0) Environmental Health**96 Private Well Program**

(\$278,129) R (\$348,372) R

Eliminates operating funding for the Private Well Program and 4.0 filled positions in FY 2011-12:

-4.00 -5.00

60034257	Environmental Program Supervisor II	\$73,531
60034539	Environmental Health Regional Specialist	\$63,332
60034541	Environmental Health Regional Specialist	\$58,246
60034305	Processing Assistant IV	\$38,180

and eliminates the program's remaining position in FY 2012-13:

60034542 Environmental Health Regional Specialist \$55,275

97 Vector Control Program

(\$391,311) R

(\$391,311) R

Eliminates operating funding for the Vector Control Program and its 4.50 filled positions:

-4.50

-4.50

60034360	Enviro. Senior Specialist	(1.0 FTE)	\$72,644
60034361	Enviro. Senior Specialist	(1.0 FTE)	\$59,798
60034359	Enviro. Program Consultant	(1.0 FTE)	\$84,637
60034363	Enviro. Program Consultant	(1.0 FTE)	\$88,214
60034358	Pub. Health Pest Mgmt Sec. Chief	(0.5 FTE)	\$45,433

Mosquito control grant funds will be administered by existing staff within the Division of Public Health. (S.L. 2011-145, Sec. 13.3)

(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, corrects the amount for position #60034358 from \$23,949 to \$45,433.)

98 Positions Eliminated and Shifted to Receipt Support

(\$389,938) R

(\$389,938) R

Eliminates the salary and benefits of 3.0 positions:

-6.50

-6.50

Filled:

60034261	Administrative Assistant I	\$49,013
60034543	Administrative Assistant I	\$41,867

Vacant:

60034466	Extension Educ & Training Spec III	\$56,780
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and fund shifts 3.50 positions to receipt support:

60034300	Nurse Consultant	(1.0 FTE)	\$74,315
60034293	Enviro. Health Regional Spec.	(1.0 FTE)	\$65,844
60034495	Enviro. Program Supervisor	(0.25 FTE)	\$19,821
60034298	Technology Support Analyst	(1.0 FTE)	\$61,118
60034254	EHS Section Chief	(0.25 FTE)	\$21,180

(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, replaces position #60034255 "Environmental Program Supv I" with #60034254 "EHS Section Chief.")

99 Public Water Supply Positions

(\$202,628) R

(\$202,628) R

Eliminates the salary and benefits of 2.0 vacant positions in the Public Water Supply Section:

-3.00

-3.00

60034405	Environmental Senior Specialist	\$59,750
60034392	Engineer	\$98,022

and 1.0 filled position in the Division Finance Office:

60034413	Accounting Technician	\$44,856
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100 Public Water Supply Program

(\$759,217) R

(\$759,217) R

Transfers the Public Water Supply Program to the Division of Water Resources. (S.L. 2011-145, Sec. 13.3)

-8.80

-8.80

(The transfer to the Division of Water Resources also appears on page H-28, item 120 of the Committee Report.)

101 Food and Lodging Program

Directs the Division to change the use of the \$400,000 appropriation originally intended for aid to counties for local food and lodging programs. The Division is to use those funds to pay for the costs to operate the State elements of the program. Counties will receive a higher percentage of the food and lodging fee that will more than offset not receiving these grant funds. (S.L. 2011-145, Sec. 31.11A)

(S.L. 2011-391, Sec. 61A, 2011 Budget Technical Corrections, makes the changes to the Food & Lodging fee effective July 1, 2012 and directs that the \$400,000 appropriation will continue to go to counties for FY 2011-12.)

102 On-Site Quality Assurance Program

(\$69,792) R

(\$69,792) R

Eliminates funding for the On-Site Quality Assurance Program and its 1.0 position:

-1.00

-1.00

60034368 Environmental Health Regional Specialist \$69,792

103 Wastewater Discharge Elimination Program

(\$160,594) R

(\$160,594) R

Eliminates operating funding for the Wastewater Discharge Elimination Program and its 2.0 filled positions:

-2.00

-2.00

60034370 Environmental Senior Specialist \$55,541

60034306 Environmental Program Supervisor I \$75,547

104 Tick Control Program

(\$139,499) R

(\$139,499) R

Eliminates operating funding for the Tick Control Program and its 1.0 filled position:

-1.00

-1.00

65001605 Environmental Senior Specialist \$58,072

(S.L. 2011-145, Sec. 13.3)

105 Sleep Products Program

Transfers the Sleep Products Program to the Department of Agriculture and Consumer Services. This program's expenditures of \$630,337 and 8.0 positions are fully supported by receipts. (S.L. 2011-145, Sec. 13.3)

(This transfer is also shown in the Department of Agriculture and Consumer Services section of the Committee Report. See page H-2, item 7.)

106 Grade "A" Milk Sanitation Branch

(\$811,175)	R	(\$811,175)	R
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Transfers the Grade "A" Milk Sanitation Branch to the Department of Agriculture and Consumer Services. The Department shall transfer the full General Fund amount shown and fund shift other divisional expenses to receipts as necessary. (S.L. 2011-145, Sec. 13.3)

-7.00		-7.00	
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(This transfer is also shown in the Department of Agriculture and Consumer Services section of the Committee Report. See page H-4, item 17.)

107 Shellfish Sanitation and Recreational Water Quality

(\$1,772,789)	R	(\$1,772,789)	R
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Transfers the Shellfish Sanitation and Recreational Water Quality Program to the Division of Marine Fisheries. (S.L. 2011-145, Sec. 13.3)

-24.75		-24.75	
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(The transfer to the Division of Marine Fisheries is also shown on page H-18, item 75 of the Committee Report.)

108 Transfer to DHHS - Division of Public Health

(\$173,397)	R	(\$173,397)	R
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Eliminates salary and benefits of 2.0 filled positions that will be eliminated as part of the transfer of the Division of Environmental Health to the Division of Public Health in the Department of Health and Human Services:

-2.00		-2.00	
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60034382	Division Deputy Director	\$116,617
60034417	Information & Communications Spec. I	\$56,780

(S.L. 2011-145, Sec. 13.3)

(This transfer is also shown in the Department of Health and Human Services section of the Committee Report. See page G-4, item 28.)

(2.0) Regional Offices**109 Filled Positions**

(\$111,424)	R	(\$111,424)	R
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Eliminates the salary and benefits of 3.0 filled positions:

-3.00		-3.00	
-------	--	-------	--

60036122	Office Assistant	\$37,614
60036157	Office Assistant	\$37,455
60036154	Office Assistant	\$36,355

110 Regional Offices

(\$1,238,874)	R	(\$1,238,874)	R
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Eliminates and/or fund shifts three positions at each of DENR's seven Regional Offices and operating for a total reduction of 21.0 positions.

-21.00		-21.00	
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(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, changes the wording of this item to allow the Department to fund-shift positions and/or reduce operating expenses in order to meet the total reduction amount.)

2011 Annotated Committee Report

FY 11-12

FY 12-13

111 Asheville Regional Office

(\$479,674) R

(\$479,674) R

Eliminates the salaries and benefits of 6.0 positions and operating costs in the Asheville Regional Office:

-6.00

-6.00

60032508 Tech Support Analyst \$68,894

60032509 Hydrogeologist \$60,272

60032510 Hydrogeologist \$54,115

60032511 Hydrogeologist \$54,115

60032512 Hydrogeologist \$76,301

60032513 Hydrogeologist \$84,265

Operating Costs \$81,712

112 Regional Offices Justification Review

(\$12,624,378) R

(\$12,624,378) R

Eliminates recurring funding for the Regional Offices and makes the funding nonrecurring for FY 2011-12. The Fiscal Research Division will perform a Justification Review of this program. (S.L. 2011-145, Sec. 6.6)

\$12,624,378 NR

-134.96

(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, adds the FTE reduction for FY 2012-13 to this item.)

(2.0) Waste Management

113 Operating Budget

(\$23,819) R

(\$23,819) R

Reduces the operating budget of the Division of Waste Management.

114 Positions Eliminated and Shifted to Receipt Support

(\$482,878) R

(\$482,878) R

Eliminate the salary and benefits of 3.0 vacant and 2.0 filled positions:

-6.90

-6.90

Vacant

60034588	Hydrogeologist	(1.0 FTE)	\$72,226
60095583	Engineer	(1.0 FTE)	\$83,171
60034613	Environmental Sr Specialist	(1.0 FTE)	\$59,273

Filled

60034616	Hydrogeologist	(1.0 FTE)	\$65,806
60034607	Environmental Sr Specialist	(1.0 FTE)	\$65,101

and fund shifts 1.9 positions to receipt support:

60034617	Engineer	(0.5 FTE)	\$43,137
60034596	Environmental Sr Specialist	(0.2 FTE)	\$13,644
60034589	Environmental Sr Specialist	(0.2 FTE)	\$14,245
60034595	Environmental Sr Specialist	(0.25 FTE)	\$15,438
60034602	Environmental Supervisor III	(0.25 FTE)	\$21,475
60034608	Environmental Sr Specialist	(0.25 FTE)	\$14,681
60034594	Environmental Sr Specialist	(0.25 FTE)	\$14,681

(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, moves position #60034607 "Environmental Sr Specialist" from the list of positions shifted to receipt support to the list of filled positions to be eliminated.)

115 Vacant Position

(\$63,764) R

(\$63,764) R

Eliminates the salary and benefits of 1.0 position that has been vacant for over a year as of March 2011:

-1.00

-1.00

60034774 Hydrogeologist \$63,764

(2.0) Water Quality**116 Vacant Positions**

(\$84,333) R

(\$84,333) R

Eliminates the salary and benefits of 1.59 positions vacant for over one year:

-1.59

-1.59

60035518	Environmental Senior Specialist (0.59 FTE)	\$39,110
60035240	Environmental Senior Technician (1.0 FTE)	\$45,223

117 Operating Budget

(\$442,880) R

(\$442,880) R

Reduces General Fund support of the operating budget of the Division of Water Quality by 15%.

118 Positions Eliminated and Shifted to Receipt Support

(\$1,217,921)

R

(\$1,217,921)

R

Eliminates the salary and benefits of 6.0 vacant and 2.0 filled positions:

-22.50

-22.50

60035140	Processing Assistant IV	(1.0 FTE)	\$40,481
60035166	Chemist III	(1.0 FTE)	\$74,824
60035160	Chemistry Technician III	(1.0 FTE)	\$47,705
60035141	Chemistry Technician I	(1.0 FTE)	\$46,684
60035489	Environmental Senior Tech.	(1.0 FTE)	\$48,425
60035466	Environmental Specialist	(1.0 FTE)	\$58,201
60035229	Environmental Technician	(1.0 FTE)	\$45,887
60035347	Environmental Senior Tech.	(1.0 FTE)	\$48,594

and shifts 14.5 positions to receipt support:

60035164	Chemistry Technician III	(1.0 FTE)	\$46,684
60035161	Chemistry Technician III	(0.5 FTE)	\$24,752
60035186	Processing Assistant IV	(1.0 FTE)	\$40,400
60035139	Enviro. Prog. Supv. IV	(0.5 FTE)	\$50,193
60035424	Environmental Engineer	(1.0 FTE)	\$70,530
60035104	Accounting Clerk IV	(1.0 FTE)	\$38,672
60035398	Environmental Specialist	(1.0 FTE)	\$66,022
60035170	Chemistry Technician III	(1.0 FTE)	\$50,432
60035099	Processing Assistant IV	(1.0 FTE)	\$38,043
60035414	Environmental Engineer	(1.0 FTE)	\$66,250
60035381	Environmental Senior Tech.	(1.0 FTE)	\$45,181
60035270	Enviro. Prog. Supv. III	(0.5 FTE)	\$42,999
60035490	Environmental Specialist	(1.0 FTE)	\$58,350
60035231	Environmental Specialist	(1.0 FTE)	\$55,793
60035467	Environmental Senior Tech.	(1.0 FTE)	\$49,798
60035472	Environmental Engineer	(1.0 FTE)	\$63,021

(2.0) Water Resources**119 Funds for H.B. 609 "Promote Water Supply Development"**

\$83,000

R

\$83,000

R

Provides \$83,000 in recurring funding to the Department in order to fulfill the requirements of H.B. 609, contingent upon the passage of H.B. 609. If the bill is not enacted, then these funds shall revert to the General Fund. (S.L. 2011-374; H.B. 609)

120 Public Water Supply Section from Environmental Health

\$759,217

R

\$759,217

R

Transfers the Public Water Supply Section from the Division of Environmental Health to the Division of Water Resources. (S.L. 2011-145, Sec. 13.3)

8.80

8.80

(The transfer from the Division of Environmental Health also appears on page H-24, item 100 of the Committee Report.)

121 Transfer from Capital Improvement Funds

Transfers \$564,227 from Division of Water Resources Capital Improvement funds to Division of Water Resources on a nonrecurring basis for FY 2011-12 and reduces the General Fund operating budget in a like amount.

(\$564,227) NR

Total Legislative Changes	(\$36,366,265)	R	(\$34,824,296)	R
	\$13,178,751	NR	(\$6,000,000)	NR
Total Position Changes	-160.51		-296.47	
Revised Budget	\$165,784,887		\$148,148,105	

DENR - Special

Budget Code: 24300

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$2,291,385	\$2,041,385
Recommended Budget		
Requirements	\$1,029,288	\$1,029,288
Receipts	\$1,029,288	\$1,029,288
Positions	0.00	0.00

Legislative Changes**Requirements:**

Mercury Pollution Prevention Fund	\$0 R	\$0 R
Transfers \$250,000 from the cash balance of the Mercury Pollution Prevention Fund to the General Fund for general availability.	\$250,000 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$250,000 NR	\$0 NR
	0.00	0.00

Receipts:

Mercury Prevention Transfer to General Fund	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

	FY 2011-12	FY 2012-13
Revised Total Requirements	\$1,279,288	\$1,029,288
Revised Total Receipts	\$1,029,288	\$1,029,288
Change in Fund Balance	(\$250,000)	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$2,041,385	\$2,041,385

DENR - PART F

Budget Code: 24309

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$13,599,484	\$4,419,353
Recommended Budget		
Requirements	\$45,793,981	\$45,793,981
Receipts	\$36,613,850	\$36,613,850
Positions	0.00	0.00

Legislative Changes**Requirements:**

Transfer to General Fund	\$0 R	\$0 R
Diverts \$8.435 million in Deed Stamp tax revenue to the General Fund for general availability. (S.L. 2011-145, Section 2.2.(h))	\$8,435,000 NR	\$0 NR
	0.00	0.00
Parks and Recreation Trust Fund Expenditures	\$0 R	\$0 R
Reduces expenditures by the Parks and Recreation Trust Fund due to the diversion of tax revenue to the General Fund. (S.L. 2011-145, Section 2.2.(h))	(\$8,435,000) NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR
	0.00	0.00

Receipts:

Transfer to General Fund	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

	FY 2011-12	FY 2012-13
Revised Total Requirements	\$45,793,981	\$45,793,981
Revised Total Receipts	\$36,613,850	\$36,613,850
Change in Fund Balance	(\$9,180,131)	(\$9,180,131)
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$4,419,353	(\$4,760,778)

DENR - Recreational/ Natural Heritage Trust Fund

Budget Code: 64302

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$12,900,000	\$13,491,000
Recommended Budget		
Requirements	\$31,750,487	\$31,750,487
Receipts	\$20,149,825	\$20,149,825
Positions	0.00	0.00
Legislative Changes		
Requirements:		
Continuation Budget Expenditures	(\$20,341,487) R	(\$20,341,487) R
Reduces expenditures in the Continuation Budget to reflect actual planned expenditures.	\$0 NR	\$0 NR
(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, adds this item to correct the continuation budget expenditures for the Natural Heritage Trust Fund.)	0.00	0.00
Transfer to General Fund	\$0 R	\$0 R
Diverts \$8 million in Deed Stamp tax revenue to the General Fund for general availability. (S.L. 2011-145, Section 2.2.(i))	\$8,000,000 NR	\$0 NR
	0.00	0.00
Natural Heritage Trust Fund Expenditures	\$0 R	\$0 R
Reduces expenditures by the Natural Heritage Trust Fund due to the diversion of tax revenue to the General Fund. (S.L. 2011-145, Section 2.2.(i))	(\$8,000,000) NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	(\$20,341,487) R	(\$20,341,487) R
	\$0 NR	\$0 NR
	0.00	0.00

Receipts:

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	FY 2011-12	FY 2012-13
Transfer to General Fund	\$0 R	\$0 R
	\$0 NR	\$0 NR
Continuation Budget Revenue	(\$8,149,825) R	(\$8,149,825) R
Reduces the revenue budgeted in the Continuation Budget to reflect actual expected deed stamp tax collections directed to the Natural Heritage Trust Fund.	\$0 NR	\$0 NR
(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, adds this item to correct the continuation budget receipts for the Natural Heritage Trust Fund.)		
Subtotal Legislative Changes	(\$8,149,825) R	(\$8,149,825) R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$11,409,000	\$11,409,000
Revised Total Receipts	\$12,000,000	\$12,000,000
Change in Fund Balance	\$591,000	\$591,000
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$13,491,000	\$14,082,000

Solid Waste Management Trust Fund

Budget Code: 64303

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$6,399,207	\$6,377,207
Recommended Budget		
Requirements	\$3,836,277	\$3,836,277
Receipts	\$3,814,277	\$3,814,277
Positions	1.00	1.00

Legislative Changes**Requirements:**

Scrap Tire Expenditures	\$0 R	\$0 R
Reduces expenditures in the Scrap Tire fund to reflect the diversion of tax revenue to the General Fund. (S.L. 2011-145, Section 2.2.(f))	(\$2,268,989) NR 0.00	\$0 NR 0.00
Scrap Tire Transfer to General Fund	\$0 R	\$0 R
Diverts Scrap Tire tax revenue to the General Fund for general availability. (S.L. 2011-145, Section 2.2.(f))	\$2,268,989 NR 0.00	\$0 NR 0.00
White Goods Expenditures	\$0 R	\$0 R
Reduces expenditures in the White Goods fund to reflect the diversion of tax revenue to the General Fund. (S.L. 2011-145, Section 2.2.(g))	(\$1,951,465) NR 0.00	\$0 NR 0.00
White Goods Transfer to General Fund	\$0 R	\$0 R
Diverts White Goods tax revenue to the General Fund for general availability. (S.L. 2011-145, Section 2.2.(g))	\$1,951,465 NR 0.00	\$0 NR 0.00
Subtotal Legislative Changes	\$0 R \$0 NR 0.00	\$0 R \$0 NR 0.00

Receipts:

2011 Annotated Committee Report

	FY 2011-12	FY 2012-13
White Goods Transfer to General Fund	\$0 R	\$0 R
	\$0 NR	\$0 NR
Scrap Tire Transfer to General Fund	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$3,836,277	\$3,836,277
Revised Total Receipts	\$3,814,277	\$3,814,277
Change in Fund Balance	(\$22,000)	(\$22,000)
Total Positions	1.00	1.00
<hr/>		
Unappropriated Balance Remaining	\$6,377,207	\$6,355,207

Special Provisions

2011 Session: HB 22

Department: Environment & Natural Resources

Section: 27

Title: **TECHNICAL CHANGE: DIVISION OF ENVIRONMENTAL HEALTH**

Summary Makes technical corrections throughout the provision to correctly name the Division of Health Service Regulation within the Department of Health and Human Services.

Section: 28

Title: **BUDGET CHANGE: REGULATORY REFORM ACT**

Summary Repeals Section 13.11B of S.L. 2011-145, REGULATORY REFORM FOR DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, DEPARTMENT OF LABOR, AND DEPARTMENT OF AGRICULTURE AND HUMAN SERVICES, contingent upon the passage of S.B. 781. S.B. 781 became law on July 25, 2011. (S.L. 2011-398).

Section: 29

Title: **BUDGET CHANGE: PILOT PROGRAM FOR ANNUAL INSPECTIONS OF CERTAIN ANIMAL OPERATIONS**

Summary Rewrites S.L. 2011-145, Sec. 13.21, Appropriations Act of 2011, to extend the sunset for this pilot program to June 30, 2013 instead of ending the program June 30, 2011. (H.B. 354)

Section: 30

Title: **TECHNICAL CHANGE: DSWC ROLE REGARDING ANIMAL WASTE MANAGEMENT SYSTEMS**

Summary Re-enacts G.S. 143-215.10D with changes to subsection (b) that strikes the requirement for annual routine operating inspections but allows voluntary inspections at the request of the operator. The original provision repealed language related to the annual technical inspections performed by the Division of Water Quality as well as the sections related to the duties of the Division of Soil & Water Conservation (DSWC).

Section: 31

Title: **TECHNICAL CHANGE: AGRICULTURAL WATER RESOURCE ASSISTANCE PROGRAM**

Summary Corrects a reference to the Department of Environment and Natural Resources (DENR) that should be the Department of Agriculture and Consumer Services (DACS) in 2011-145, Sec. 13.23.(h), Appropriations Act of 2011.

Section: 32

Title: **BUDGET CHANGE: REQUIREMENTS TO RECEIVE NC AGRICULTURE COST SHARE PROGRAM FUNDS OR AGRICULTURE WATER RESOURCE ASSISTANCE PROGRAM FUNDS**

Summary Enacts G.S. 106-850(b)(1) and G.S. 139-60(c1), which require applicants to the Agriculture Cost Share Program and the Agriculture Water Resource Assistance Program to submit a federal tax Schedule F (Form 1040) from the most recent tax year, which shows the applicant's profit or loss from farming, in order to be eligible for the cost share programs.

Section: 33

Title: **TECHNICAL CHANGE: TRANSFER FORESTRY DIVISION AND FORESTRY COUNCIL FROM DENR TO DACS**

Summary Repeals S.L. 2011-145, Sec. 13.25(i) and corrects two references to DENR that should be DACS in S.L. 2011-145, Sec. 13.25(o). The language in Section 13.25(i) was duplicative of language appearing elsewhere in the provision; repealing this section has no impact on the transfer.

Section: 61A

Title: **BUDGET CHANGE: FOOD & LODGING FEE**

Summary Changes the effective date of Section 31.11A of S.L. 2011-145, Appropriations Act of 2011, to July 1, 2012. Delays the change in the \$400,000 appropriation for aid to counties for local food and lodging programs to July 1, 2012.

2011 Session: HB 200

Department: Environment & Natural Resources

Section: 13.3

Title: **ABOLISH, TRANSFER TO OTHER DEPARTMENTS, OR CONSOLIDATE WITHIN DENR ALL ENVIRONMENTAL HEALTH PROGRAMS UNDER DENR**

Summary Eliminates and/or transfers all programs within the Division of Environmental Health (DEH) to the Department of Agriculture and Consumer Services (DACS), the Department of Health and Human Services (DHHS), or elsewhere in the Department of Environment and Natural Resources (DENR) effective July 1, 2011.

Subsection (a) eliminates the Vector Control and Tick Control Programs in DEH.

Subsection (b) transfers the Grade "A" Milk Program to DACS.

Subsection (c) transfers the Sleep Products Program to DACS.

Subsection (d) transfers the Environmental Health Services Section, On-Site Water Protection Section and Office of Education and Training to the Division of Public Health within DHHS.

Subsection (e) transfers the Radiation Protection Section to the Division of Health Safety Regulation in DHHS.

Subsection (f) transfers the Public Water Supply section to the Division of Water Resources in DENR.

Subsection (g) transfers the Shellfish Sanitation and Recreational Water Quality Section to the Division of Marine Fisheries in DENR.

Subsection (h) abolishes the Division of Environmental Health of the Department of Environment and Natural Resources.

Subsections (i) through (www) make conforming and technical changes as needed.

(S.L. 2011-391, Sec. 27, 2011 Budget Technical Corrections, makes conforming and technical changes to general statutes as needed.)

Section: 13.4

Title: **REQUIRE DENR TO USE DWQ'S GROUNDWATER INVESTIGATION UNIT'S WELL DRILLING SERVICES IN OTHER DENR DIVISIONS**

Summary Requires DENR to fully utilize the Groundwater Investigation Unit of the Division of Water Quality for all applicable drilling projects and directs the Groundwater Investigation Unit to bid to contract for well drilling services for the Department.

Section: 13.6

Title: **DENR CIVIL PENALTY ASSESSMENTS**

Summary Creates G.S. 143B-279.16 to provide persons receiving notices of violation from DENR with an additional ten days to receive technical assistance and take needed corrective action prior to the assessment of any civil penalties.

Section: 13.7

Title: **WATER AND AIR QUALITY ACCOUNT REVERTS**

Summary Amends G.S. 143-215.3A(a) to specify that any unexpended funds collected from laboratory facility certification fees in the Water and Air Quality Account shall revert at the end of each fiscal year.

Section: 13.10A

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.

Section: 13.10B

Title: **FUNDS FOR RECYCLING PROGRAMS FOR PRODUCTS THAT CONTAIN MERCURY**

Summary Amends G.S. 130A-310.54 to expand the scope of the Mercury Pollution Prevention Fund to include recycling programs for all products containing mercury, including light bulbs and thermostats.

Section: 13.11

Title: **REPEAL DENR REVIEW OF FEE SCHEDULES**

Summary Repeals the biennial review of fees required in G.S. 143B-279.2(4). This review of fees was implemented in FY 2009-10.

Section: 13.11A

Title: **DWSRF LOANS AND GRANTS TO INVESTOR-OWNED DRINKING WATER CORPORATIONS**

Summary Amends G.S. 159G-20 to allow investor-owned drinking water corporations to apply for grants and loans from the Drinking Water State Revolving Fund.

Section: 13.11B

Title: **REGULATORY REFORM FOR DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, DEPARTMENT OF LABOR, AND DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

Summary Limits the rule-making authority of DENR, the Department of Labor and DACS such that no rules may be adopted that are more restrictive than federal law or rule. The provision requires all rules for which there is no federal analog to be accompanied by a cost-benefit analysis conducted by the Department.

(S.L. 2011-391, Sec. 28, 2011 Budget Technical Corrections, repealed this provision contingent upon the passage of S.B. 781, the Regulatory Reform Act of 2011. The Governor vetoed S.B. 781 on June 30, 2011.)

Section: 13.11C

Title: **PARKS AND RECREATION TRUST FUND; ALLOCATION OF DEED STAMP TAX PROCEEDS CREDITED TO FUND**

Summary Directs how the deed stamp tax proceeds going to the Parks & Recreation Trust Fund are to be used in FY 2011-12, including \$6 million for the operating expenses of the Division of Parks & Recreation; up to \$8 million for the State Park System for capital projects, repairs and renovations, land acquisition, and debt service; up to \$4.2 million for grants to local governments; and up to \$705,000 for the Coastal and Estuarine Water Beach Access Program. Any additional funds that become available to the Trust Fund during FY 2011-12 shall be used pursuant to G.S. 113-44.15(b).

Section: 13.16

Title: **NATURAL HERITAGE TRUST FUND USED FOR COSTS TO ADMINISTER PLANT CONSERVATION PROGRAM/ CONSERVATION PLANNING & COMMUNITY AFFAIRS PROGRAM**

Summary Amends G.S. 113-77.9(c) to expand the "Other Purposes" category of the Natural Heritage Trust Fund to allow the Trust Fund to support the Plant Conservation Program in DACS and the Office of Conservation Planning and Community Affairs in DENR.

Section: 13.18

Title: **OYSTER SANCTUARY PROGRAM SUPPORT**

Summary Amends G.S. 113-175.1(c) to encourage the Marine Fisheries Commission and the Wildlife Resources Commission to consider supporting the Oyster Sanctuary Program managed by the Division of Marine Fisheries when determining how to use the Marine Resources Fund and marine resources investment income.

Section: 13.18A

Title: **MARINE FISHERIES ENCOURAGED TO CONTRACT WITH PRIVATE SECTOR FOR OYSTER SANCTUARY RESTORATION**

Summary Encourages the Division of Marine Fisheries to contract with private sector businesses for any oyster sanctuary restoration projects in the Pamlico Sound that are funded in whole or in part by State funds, fees, grants, or revenue generated from any license issued by the State.

Section: 13.18B

Title: **DIVISION OF MARINE FISHERIES TO USE DIVISION OF FOREST RESOURCES MECHANICS FOR AIRCRAFT MAINTENANCE**

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

Section: 13.21

Title: **END PILOT PROGRAM FOR ANNUAL INSPECTIONS OF CERTAIN ANIMAL OPERATIONS**

Summary Ends the Pilot Program for annual inspections of certain animal operations effective June 30, 2011. The pilot program began in FY 1996-97 in Columbia and Jones counties and was subsequently expanded to Brunswick (FY 1998-99) and Pender (FY 2004-05) counties. The program, which has been extended seven times, was scheduled to sunset in September 1, 2011.

(S.L. 2011-391, Sec. 29, 2011 Budget Technical Corrections, amends this item to extend the sunset date of the pilot program to June 30, 2013.)

Section: 13.22

Title: **END DSWC ROLE REGARDING ANIMAL WASTE MANAGEMENT SYSTEMS**

Summary Amends G.S. 143-215.10A to remove references to operation reviews performed by DSWC and repeals G.S. 143-215.10D, which directs DSWC to perform annual routine inspections of animal waste management systems.

(S.L. 2011-391, Sec. 30, 2011 Budget Technical Corrections, re-enacts G.S. 143-215.10D with changes to subsection (b) that strikes the requirement for annual routine operating inspections but allows voluntary inspections at the request of the operator.)

Section: 13.22A

Title: **TRANSFER DIVISION OF SOIL AND WATER CONSERVATION AND SOIL AND WATER CONSERVATION COMMISSION TO DACS**

Summary Transfers the Division of Soil & Water Conservation from DENR to DACS as a Type I transfer. Subsection (b) transfers the Soil & Water Conservation Commission from DENR to DACS as a Type II transfer. Subsections (c) through (dd) make technical and conforming changes related to these transfers. (S.B. 229)

Section: 13.23

Title: **AGRICULTURAL WATER RESOURCES ASSISTANCE PROGRAM/CONFORMING CHANGES; FUNDS TO PROMOTE WATER SUPPLY DEVELOPMENT**

Summary Creates new G.S. 139-60, which defines the Agricultural Water Resources Assistance Program within DSWC. This cost-share program shall provide assistance to farmers and landowners for any of the following: (1) identifying opportunities to increase water use efficiency, availability, and storage; (2) implementing best management practices related to conserve and protect water resources; (3) increasing water use efficiency, availability, and storage. The program will pay up to 75% of the average cost of a project up to \$75,000. To be eligible a farmer must have an adjusted gross income in each of the prior two years that is at or below \$250,000, unless at least 75 percent of that income is derived directly from farming, ranching, or forestry operations. DENR shall use \$1 million of funds available for Water Resource Projects to support this program in FY 2011-12. (S.B. 638)

(S.L. 2011-391, Sec. 31, 2011 Budget Technical Corrections, amends subsection (h) to correct a reference to DENR that should be DACS.)

Section: 13.24

Title: **CONTRACT TO OUTSOURCE GIFT SHOPS AT THE NC ZOO TO DIRECT PROFITS TO ZOO FUND**

Summary Directs DENR to outsource at least three of the gift shops located at the NC Zoological Park. The contract to outsource the gift shops shall provide that any profits that result from operating the gift shops during the FY 2011-13 biennium will be credited quarterly to the Special Zoo Fund.

Section: 13.25

Title: **TRANSFER FORESTRY DIVISION AND FORESTRY COUNCIL FROM DENR TO DACS**

Summary Transfers DFR from DENR to DACS as a Type I transfer. Subsection (d) transfers the Forestry Council from DENR to DACS as a Type II transfer.

Subsection (o) includes new statutory language creating the "State Recreational Forest" designation. State Recreational Forests are forests that are managed primarily for natural resource preservation, scenic enjoyment, and recreational purposes. G.S. 106-857 designates DuPont State Forest a State Recreational Forest and outlines management and reporting requirements related to the DuPont State Recreational Forest.

The remaining subsections - (b), (c), (e) through (n), and (p) through (zz) - make technical and conforming changes. (S.B. 388)

(S.L. 2011-391, Sec. 33, 2011 Budget Technical Corrections, removes subsection (i), which includes duplicative language, and amends subsection 13.25(o) of this provision to correct references to DENR that should be DACS.)

Section: 13.25A

Title: **OTHER MATTERS REGARDING THE TRANSFER OF TWO DENR DIVISIONS TO THE DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES**

Summary Includes four sections pertaining to the transfer of DSWC and DFR from DENR to DACS. Subsection (a) directs DENR to transfer at least four vacant positions to DACS. These positions will be reclassified for use by DACS' central business office. DENR, DACS, the Office of State Budget & Management, and the Office of State Personnel shall jointly determine if additional positions should be transferred from DENR to DACS to address changes in central business office needs due to the transfers.

Subsection (b) directs the Attorney General to continue to provide legal services to DFR and DSWC following the transfer from DENR to DACS.

Subsection (c) directs that DSWC and DFR may continue to occupy the office space currently utilized by the Divisions.

Subsection (d) directs DENR and DACS to enter into a memorandum of understanding concerning the sharing of databases and software programs used in the administration of DSWC or DFR.

Section: 31.11

Title: **NER/ENVIRONMENT/REDUCE PORTION OF CERTIFICATE OF TITLE FEES CREDITED TO MERCURY SWITCH REMOVAL ACCOUNT**

Summary Amends G.S. 20-85(a1) to reduce the portion of the certificate of title fee that is credited to the Mercury Switch Removal Account from \$1.00 to \$0.50.

(This change is also referenced in the Transportation section of S.L. 2011-145, Sec. 28.30, Appropriations Act of 2011.)

Section: 31.11A

Title: **LOCALS TO RECEIVE LARGER PORTION OF FOOD AND LODGING FEES**

Summary Reduces the portion of Food and Lodging fees that are retained by the State from 33 1/3% to 10%

(S.L. 2011-391, Sec. 61A, 2011 Budget Technical Corrections, changed the effective date of this provision from July 1, 2011 to July 1, 2012.)

Section: 31.15

Title: **NER/ENVIRONMENT/ADDITIONAL USES OF HAZARDOUS WASTE FEES**

Summary Amends G.S. 130A-294.1(b) to clarify additional uses of hazardous waste fees, including implementation of response activities involving inactive hazardous substances/waste disposal sites and prevention activities within the solid waste program.

Section: 31.22

Title: **NER/NATURAL RESOURCES/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 FY 2011-12 and FY 2012-13 unless such fees were charged prior to FY 2011-12.

DENR-Clean Water Management Trust Fund

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$100,000,000		\$100,000,000	
Legislative Changes				
Department-wide				
122 Operating Reduction	(\$88,750,000)	R	(\$88,750,000)	R
Provides \$11.25 million to the Clean Water Management Trust Fund. In addition, the bill repeals G.S. 113A-253.1, which set the Trust Fund's annual appropriation at \$100 million. (S.L. 2011-145, Sec. 13.26)				
Total Legislative Changes	(\$88,750,000)	R	(\$88,750,000)	R
Total Position Changes				
Revised Budget	\$11,250,000		\$11,250,000	

Special Provisions

2011 Session: HB 22

Department: DENR-Clean Water Management Trust Fund

Section: 34

Title: **TECHNICAL CHANGE: CLEAN WATER MANAGEMENT TRUST FUND**

Summary Adds a definition for "minigrant" and corrects the dollar amount allocated in S.L. 2011-145, Sec. 13.26.(c).(3) from \$6.25 million to \$6.75 million. The dollar change reflects the actual funds allocated for these purposes.

2011 Session: HB 200

Department: DENR-Clean Water Management Trust Fund

Section: 13.26

Title: **CLEAN WATER MANAGEMENT TRUST FUND**

Summary Repeals the \$100 million statutory appropriation for the Clean Water Management Trust Fund (CWMTF) provided in G.S. 113A-253.1 and, in subsection (c), outlines how CWMTF's \$11.25 million appropriation shall be used in FY 2011-12 and FY 2012-13. Subsection (b) makes a technical change to G.S. 113A-253(a) needed to reflect a prior change to the General Statutes.

In subsection (c), CWMTF is directed to spend \$3 million on administration and debt service (part 1), \$1.5 million on military buffers (part 2), and remaining funds on wastewater projects, water quality restoration projects, minigrants, conservation easements, and stormwater project (part 3).

Subsection (d) mandates that CWMTF not spend any funds on land acquisition other than for military buffers.

Finally, subsection (e) allows that any funds that become available to the CWMTF are to be used for items allowed by Subsection (c) part (1) and part (3) only; no additional funds are to be used for military buffers.

(S.L. 2011-391, Sec. 34, 2011 Budget Technical Corrections, amends this item to clarify the definition of minigrant and to correct a technical error in the amount of funds allotted in subsection (c) part (3), correcting \$6.25 million to \$6.75 million.)

Commerce

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$38,907,381		\$38,907,381	
Legislative Changes				
Department-wide				
123 Employment Security Commission Merger	(\$251,376)	R	(\$377,064)	R
Reduces expenditures due to the merger of the Employment Security Commission with the Department of Commerce. This reduction is based on an effective date of November 1, 2011 for the transfer. This transfer shall be done in accordance with S.B. 532. (H.B. 813/S.B. 532; S.L. 2011-401; S.L. 2011-145, Sec. 14.5)				
124 Governor's Office Transfer	(\$192,354)	R	(\$192,354)	R
Eliminates funding from various account codes (1x-5x) across the Department which have been used to transfer funds to the Governor's Office to pay for salary and benefits for one position. The Department shall not transfer funds to the Governor's Office for this purpose.				
125 Salary and Operating Reductions to Align Budget	(\$235,558)	R	(\$235,558)	R
Reduces various accounts (1x-5x) across the Department such that the Department may properly budget contracts with the Attorney General's Office, rather than using lapsed salary and operating line items for this purpose.				
126 Cell Phones	(\$7,000)	R	(\$7,000)	R
Reduces cell phones expenditures across the Department by 30%. The Department is to reduce the actual number of cell phones by this percentage as well.				
127 Motor Fleet Management	(\$27,647)	R	(\$27,647)	R
Reduces Motor Fleet Management expenses by 10%. The Department is to reduce the actual number of Motor Fleet Management vehicles by 10% as well.				
Department-wide Reserves and Transfers				
128 Rural Electrification Authority	\$150,000	NR		
Appropriates \$150,000 to be transferred to the Rural Electrification Authority (budget code 54600 5241). In section 2.2(g) of S.L. 2009-451, \$210,240 was transferred from this fund to General Fund availability. (S.B. 703)				

Administration**129 Administrative Assistant**

(\$54,640)	R	(\$54,640)	R
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Eliminates the salary and benefits for one filled administrative assistant position (60077162).

-1.00		-1.00	
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130 Attorney General Contracts

\$235,558	R	\$235,558	R
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Directs the Department to properly budget its Attorney General contracts as a separate 2x account line.

131 Assistant Secretary for Community Development

(\$125,101)	R	(\$125,101)	R
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Transfers the salary and benefits for the Assistant Secretary for Community Development position (60077156) from the Administration fund code (1111) to the Division of Community Assistance fund code (1620) so that the funding can be properly aligned in the correct division. The Department shall physically locate the Assistant Secretary in the same building as the majority of the division's employees.

-1.00		-1.00	
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132 Assistant Secretary for Policy, Research, and Strategic Planning (PRSP)

(\$125,720)	R	(\$125,720)	R
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Transfers the Assistant Secretary position (60077183) from the Administration fund code (1111) to the PRSP fund code (1130) so that the funding can be properly aligned in the correct division.

-1.00		-1.00	
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133 Director of Rural Development Programs

(\$99,308)	R	(\$99,308)	R
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Eliminates the salary and benefits for the position of Director of Rural Development Programs (60077188). This position oversees the 21st Centuries Communities Program, which is eliminated, and administers Community Development Block Grant (CDBG) programs which can be handled by existing CDBG staff. The Certified Retirement Communities Program shall be transferred to the Division of Tourism, Film, and Sports Development and administered by existing staff.

-1.00		-1.00	
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134 Public Affairs Staff Reduction

(\$42,289)	R	(\$42,289)	R
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Eliminates the salary and benefits for one filled position (60077186) in the Secretary's Office, Public Affairs section.

-1.00		-1.00	
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BLNC - Business Link North Carolina**135 Director Position**

(\$131,110)	R	(\$131,110)	R
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Eliminates the salary and benefits for the director position (60080987) for BLNC. Employees in this division will report to the Director of Business and Industry.

-1.00		-1.00	
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Business and Industry**136 Transfer to Biotechnology Center**

(\$64,125)	R	(\$64,125)	R
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Eliminates the transfer to the Biotechnology Center. The Department and the Biotechnology Center are encouraged to continue the Memorandum of Understanding but without the use of Commerce funds to pay for Biotechnology Center expenses.

137 Trade Shows

(\$50,000)	R	(\$50,000)	R
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Reduces funding for trade shows.

138 Vacant Position

(\$83,314)	R	(\$83,314)	R
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Eliminates the salary and benefits for one vacant position - 60080979 Client Development Manager.

-1.00		-1.00	
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(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, amends this item to remove vacant position #60080979, Client Development Manager, and adjusts the totals accordingly. This item originally eliminated two vacant positions.)

Commerce Finance Center**139 Vacant Position**

(\$58,413)	R	(\$58,413)	R
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Eliminates the salary and benefits for one vacant position - 60081011, Financial Specialist.

-1.00		-1.00	
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(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, adds this item to the Committee Report.)

140 Industrial Development Fund

(\$320,107)	R	(\$320,107)	R
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Eliminates the General Fund appropriation for the Industrial Development Fund. Funding will remain available from loan repayments and in the fund balance to fulfill existing obligations.

141 Jobs Maintenance and Capital Development Fund (JMAC)

Appropriates \$6,000,000 for Bridgestone/Firestone and Goodyear agreements for the 2010 grant year.

\$6,000,000	NR		
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142 One North Carolina Fund

Provides additional funding for the One North Carolina Fund. (S.L. 2011-145, Sec. 14.2)

\$10,000,000	NR		
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143 Broadband Mapping

\$375,730	R	\$375,730	R
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Provides funding for the CDBG Economic Development section to contract out for the North Carolina mapping and planning project currently titled NC BRIM, Broadband-Rigor in Mapping. (S.L. 2011-145, Sec. 14.12C)

144 Broadband Connectivity

Provides \$1 million non-recurring for the CDBG-Economic Development section to incent private businesses to provide broadband connectivity. Priority shall be given to unserved areas in mixed urban-rural counties and then to unserved areas in mainly rural counties. The Department shall work with the Rural Economic Development Center in developing and implementing this grant program.

\$1,000,000 NR

Community Assistance**145 Assistant Secretary Position**

Transfers the salary and benefits for the Assistant Secretary for Community Development position (60077156) from the Administration fund code (1111) into the Division of Community Assistance fund code (1620) so that the funding can be properly aligned in the correct division. The Department shall physically locate the Assistant Secretary in the same building as the majority of the division's employees.

\$125,101	R	\$125,101	R
1.00		1.00	

146 Senior Advisor/Director Position

Eliminates the salary and benefits for the position of director (60081167). This division also has an Assistant Secretary, and thus the director position is eliminated to more properly align span of control.

(\$117,624)	R	(\$117,624)	R
-1.00		-1.00	

147 Vacant Position

Eliminates the salary and benefits for one Planner position (60081202) vacant for more than one year as of March 2011.

(\$71,536)	R	(\$71,536)	R
-1.00		-1.00	

148 21st Century Communities

Eliminates operating funding for the 21st Century Communities program and the salaries and benefits for three filled positions. This program was designed to certify counties to be ready for the 21st Century and is no longer needed.

(\$244,699)	R	(\$244,699)	R
-3.00		-3.00	

60081236 Planner \$58,074

60081237 Planner \$55,541

60081238 Planner \$63,013

(S.L. 2011-145, Sec. 14.3C)

149 Filled Positions

(\$296,177)	R	(\$296,177)	R
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Eliminates the salaries and benefits for five filled positions and associated operating costs within the Division. Funding will still be sufficient to meet Community Development Block Grant (CDBG) match requirements.

-5.00

-5.00

60081178	Office Assistant IV	\$31,634
60081182	Comm Dev Planner I	\$57,511
60081198	Comm Dev Planner II	\$62,238
60081205	Office Assistant IV	\$34,305
60089504	Comm Dev Planner I	\$74,135

Operating Expenses \$36,354

Energy**150 Pass-through Funding to Universities**

(\$1,855,500)	R	(\$1,466,090)	R
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Reduces pass-through funding to the Energy Centers at North Carolina A&T State University, North Carolina State University, and Appalachian State University. Provides \$500,000 in FY 2011-12 and \$617,603 in FY 2012-13 for the Solar Center at North Carolina State University to continue energy programs. \$200,000 of this funding shall be used for the Energy Management Program within the Energy Efficiency and Environmental Research Program in the Department of Mechanical & Aerospace Engineering.

Provides \$50,000 in FY 2011-12 and \$261,215 in FY 2012-13 to the Appalachian Energy Center at Appalachian State University.

Provides \$100,000 in FY 2011-12 and \$210,592 in FY 2012-13 to the Center for Energy Research and Technology at North Carolina A&T State University.

(S.L. 2011-391, Sec. 38.2, 2011 Budget Technical Corrections, amends this item such that \$100,000 is provided for Appalachian State University in FY 2011-12. The Committee Report for S.L 2011-391 also changed "energy efficiency programs" to "energy programs" and removed the restriction that the NCSU Solar Center could not use funds for advertising or promotion of the Center.)

151 Operating Reduction

(\$21,120)	R	(\$21,120)	R
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Reduces operating expenses (2x-5x) in the division by \$21,120, leaving \$154,716 for these purposes.

152 Filled Position

(\$78,880)	R	(\$78,880)	R
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Eliminates the salary and benefits for one filled Engineer position (60014891) who currently is assigned to the Utility Savings Initiative program.

-1.00

-1.00

Industrial Commission**153 Over-realized Receipts**

(\$736,861)	R	(\$736,861)	R
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Directs the Industrial Commission to budget over-realized receipts.

International Trade**154 Trade Shows**

(\$50,000)	R	(\$50,000)	R
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Reduces funding for trade shows.

Management Information Systems**155 Division Director**

(\$153,218)	R	(\$153,218)	R
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Eliminates the salary and benefits for the director position (60080825) for the Management Information Systems division.

-1.00		-1.00	
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156 Operating Funds

(\$18,552)	R	(\$18,552)	R
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Reduces operating expenses (2x-5x) in the division by \$18,552, leaving \$163,790 for these purposes.

Office of Science and Technology**157 Continuation Review**

(\$215,599)	R	(\$215,599)	R
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Eliminates recurring funding for the Office of Science and Technology and makes the funding nonrecurring for FY 2011-12. This program is subject to continuation review. (S.L. 2011-145, Sec. 6.7)

\$215,599	NR		
		-2.00	

Policy, Research, and Strategic Planning**158 Assistant Secretary Position**

\$125,720	R	\$125,720	R
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Transfers the Assistant Secretary position (60077183) from the Administration fund code (1111) into the Policy, Research, and Strategic Planning fund code (1130) so that the funding can be properly aligned in the correct division.

1.00		1.00	
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159 Operating Expenses

(\$10,000)	R	(\$10,000)	R
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Reduces operating expenses (2x-5x) in the division by \$10,000, leaving \$200,753 for these purposes.

Tourism, Film, and Sports Development**160 Welcome Centers Position**

(\$39,102)	R	(\$39,102)	R
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Eliminates the salary and benefits for an Office Assistant IV position (60080870) which has been vacant for more than a year as of March 2011.

-1.00		-1.00	
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161 NC Wineries & Tourism

Provides \$500,000 NR for North Carolina wineries and tourism. \$250,000 shall be allocated to the Vinifera Group and \$250,000 to the Muscadines Group for the purpose of promoting North Carolina wineries and tourism related to the wineries. The funds shall be used for advertising and State winery maps. (S.L. 2011-145, Sec. 14.3A)

\$500,000 NR

(S.L. 2011-391, Sec. 38.1, 2011 Budget Technical Corrections Act, amends this item such that the funding provided shall be used to pay for the salary and benefits for position #60080945 and clarifies that the remaining funds are to be used to promote Muscadines and Vinifera wineries, not allocated to them.)

162 Wine and Grape Grower's Council

(\$732,380) R (\$732,380) R

Eliminates funding for the Wine and Grape Grower's Council, including the salary and benefits for one filled position (60080945). (S.L. 2011-145, Sec. 14.3A and 14.3B)

-1.00

-1.00

(S.L. 2011-391, Sec. 38.1(e), 2011 Budget Technical Corrections, amends this item such that the position is not eliminated and salary and benefits are to be paid with the \$500,000 appropriated for NC Wineries and Tourism, item 161.)

Wanchese Seafood Industrial Park**163 Capital and Operating Funds**

(\$248,327) R (\$248,327) R

Eliminates funding most recently used for capital projects and operating expenses.

164 Operating Reduction

(\$25,112) R (\$25,112) R

Reduces the budget for Wanchese by 15%.

Workforce Development**165 Workforce Investment Act Funds**

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

(This item also appears in the Labor section of the Committee Report. See page H-10, item 35.)

Total Legislative Changes

(\$5,920,640) R (\$5,656,918) R

\$17,865,599 NR

Total Position Changes

-19.00

-21.00

Revised Budget

\$50,852,340

\$33,250,463

Commerce – Enterprise

Budget Code: 54600

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$9,069,749	\$8,190,899
Recommended Budget		
Requirements	\$4,479,458	\$4,479,458
Receipts	\$4,100,608	\$4,100,608
Positions	46.00	46.00

Legislative Changes**Requirements:**

Transfer to General Fund	\$0 R	\$0 R
Directs the ABC Commission to transfer \$500,000 in cash balance to the General Fund for general availability.	\$500,000 NR	\$0 NR
	0.00	0.00
Subtotal Legislative Changes	\$0 R	\$0 R
	\$500,000 NR	\$0 NR
	0.00	0.00

Receipts:

ABC Commission	\$0 R	\$0 R
	\$0 NR	\$0 NR
Subtotal Legislative Changes	\$0 R	\$0 R
	\$0 NR	\$0 NR

	FY 2011-12	FY 2012-13
Revised Total Requirements	\$4,979,458	\$4,479,458
Revised Total Receipts	\$4,100,608	\$4,100,608
Change in Fund Balance	(\$878,850)	(\$378,850)
Total Positions	46.00	46.00
Unappropriated Balance Remaining	\$8,190,899	\$7,812,049

Special Provisions

2011 Session: HB 22

Department: Commerce

Section: 35

Title: TECHNICAL CHANGE: NORTH CAROLINA WINERIES & TOURISM/OPERATING COMMITTEES

Summary Amends Section 14.3A of S.L. 2011-145, Appropriations Act of 2011, to state that the Secretary of Commerce, not the Commissioner of Agriculture, shall appoint members to the winery operating committees.

Section: 36

Title: BUDGET CHANGE: AGRICULTURAL EMPLOYEES/UNEMPLOYMENT INSURANCE

Summary Repeals Section 14.5B of S.L. 2011-145, Appropriations Act of 2011. This provision was in conflict with federal code.

Section: 38.1

Title: BUDGET CHANGE: WINE AND GRAPE GROWERS COUNCIL

Summary Makes several changes to the Wine and Grape Growers Council and money items.

Subsection (a) repeals Section 14.3A of S.L. 2011-145, Appropriations Act of 2011, which created the Wine and Grape Growers operating committees.

Subsection (b) re-enacts Part 2J of Article 10 of G.S. 143B, the Wine and Grape Growers Council as repealed by section 14.3B of S.L. 2011-145.

Subsection (c) rewrites the Wine and Grape Growers Council statute to reconstitute the Council with Muscadines and Vinifera advisory committees.

Subsection (d) states that the terms of the current Council members expire June 30, 2011.

Subsection (e) states that position #60080945 shall not be eliminated and shall be paid for out of funds appropriated for winery and tourism and further clarifies that the \$500,000 appropriated for winery and tourism is to be used to promote the Vinifera and Muscadine wineries rather than be allocated to them.

Section: 38.2

Title: TECHNICAL CHANGE: ENERGY CENTERS PASS-THROUGH FUNDING

Summary Specifies that the Appalachian Energy Center at Appalachian State University is to receive \$100,000 for FY 2011-12.

2011 Session: HB 200

Department: Commerce

Section: 14.1

Title: **NER BLOCK GRANTS**

Summary Appropriates \$45 million in federal Community Development Block Grant (CDBG) funds for FY 2010-11. This provision provides for subsequent increases or decreases in fund availability and places limitations on the use of CDBG funds. It 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. This provision increases the amount of funding for infrastructure projects compared to prior years and provides a definition of infrastructure projects. The Department is prohibited from reallocating funds from the infrastructure category. The reporting requirements are strengthened and a report is required to Gov Ops by September 1, 2011.

Section: 14.2

Title: **ONE NORTH CAROLINA FUND**

Summary Allows the Department to use up to \$250,000 in FY 2011-12 for administrative expenses related to the One NC Fund and other economic development programs. This provision also amends G.S. 143B-437.07 to change the requirements for the Department to report to the General Assembly on economic development programs. The Department also must post a summary report on its website. (S.B. 489)

Section: 14.2B

Title: **EXTEND DEADLINE FOR TWENTY PERCENT REDUCTION ON PETROLEUM PRODUCTS USE FOR STATE FLEETS/CLARIFY REPORTING REQUIREMENT**

Summary Extends the deadline for achieving a twenty percent reduction in petroleum use until July 1, 2016 (formerly was July 1, 2011). This provision also extends the reporting deadline for the State Energy Office for this program until November 1, 2016.

Section: 14.3

Title: **STATUS OF TRAVEL AND TOURISM INDUSTRY IN NC/ANNUAL REPORT**

Summary Amends G.S. 143B-434.2(d) to change the reporting date for the annual travel and tourism report from January 15 to October 15.

Section: 14.3A

Title: **NORTH CAROLINA WINERIES & TOURISM/OPERATING COMMITTEES**

Summary Creates two operating committees, a Muscadines group and a Vinifera group, to promote NC wineries and tourism. The provision specifies that the committees shall meet twice each year and shall not receive per diem or travel expenses.

(S.L. 2011- 391, Sec. 35, 2011 Budget Technical Corrections, amends this section so that the appointments to the Committees are made by the Secretary of Commerce, not the Commissioner of Agriculture. Section 38.1.(a) repeals this entire provision.)

Section: 14.3B

Title: **WINE AND GRAPE GROWERS COUNCIL ELIMINATED**

Summary Repeals Part 2J of Article 10 of Chapter 143B: the General Statutes related to the Wine and Grape Growers Council.

(S.L. 2011- 391, Sec. 38.1.(b), 2011 Budget Technical Corrections, reverses this repeal to re-enact the relevant General Statute.)

Section: 14.3C

Title: **21ST CENTURY COMMUNITIES PROGRAM ELIMINATED/CONFORMING CHANGES**

Summary Rewrites Part 2K of Article 10 of Chapter 143B to make conforming changes due to the elimination of the 21st Centuries Communities Program.

Section: 14.4

Title: **EMPLOYMENT SECURITY COMMISSION FUNDS**

Summary Appropriates funds from the Employment Security Commission (ESC) Reserve Fund, the Worker Training Trust Fund, and the Unemployment Trust Fund. Subsection (a) allows up to \$2.5 million from the ESC Reserve Fund to be used as collateral to secure federal funds and to pay for the administrative costs associated with the ESC Reserve Fund surcharge. Subsection (b) appropriates \$20 million from the ESC Reserve Fund for the following purposes:

ESC Local Offices	\$19,500,000
Training Program Participant Tracking	\$200,000
ESC Common Follow-Up	\$300,000

Subsection (c) appropriates \$1 million from the ESC Reserve Fund for State initiatives not currently funded through grants. Subsection (d) appropriates \$1 million from the Worker Training Trust Fund to fund "Opportunity NC" (formerly known as "Tar Heel Works" Program). Subsection (e) authorizes up to \$205,063,552 of federal funds in the Unemployment Trust Fund to be used for the following:

Unemployment Benefit and Tax Accounting System	\$100,000,000
Operation of the Unemployment Insurance Program	\$105,063,552

Section: 14.5

Title: **TRANSFER EMPLOYMENT SECURITY COMMISSION TO DEPARTMENT OF COMMERCE**

Summary Transfers ESC to Commerce as a Type I effective November 1, 2011. (H.B. 813/S.B. 532; S.L. 2011-401)

Section: 14.5B

Title: **AGRICULTURAL EMPLOYEES/UNEMPLOYMENT INSURANCE**

Summary Rewrites G.S. 96-8(5)n to redefine "employer" as someone who pays a minimum wage floor of \$50,000 (was \$20,000) for agricultural labor.

(S.L. 2011- 391, Sec. 36, 2011 Budget Technical Corrections, repeals this section.)

Section: 14.5C

Title: **DEPARTMENT OF COMMERCE/CONTRACTS RELATED TO EMPLOYMENT SECURITY ORGANIZATIONAL REFORM**

Summary Notwithstanding any other law to the contrary and authorizes the Department to enter into sole source contracts for studies regarding ESC organizational reform.

Section: 14.6

Title: **TRANSFER STATE PORTS AUTHORITY FROM DEPARTMENT OF COMMERCE TO DEPARTMENT OF TRANSPORTATION**

Summary Transfers the NC State Ports Authority to the Department of Transportation as a Type II transfer. This provision makes other conforming changes throughout subsections (b) through (g). Subsection (h) states that the Ports Authority is under the direct supervision of the Secretary of Transportation and that Transportation Board members may be appointed to the Authority.

Section: 14.7

Title: **STUDY COSTS OF SERVICES PROVIDED BY DEPARTMENT OF COMMERCE TO AGENCIES IN THE DEPARTMENT OF COMMERCE**

Summary Directs the Department, the ABC Commission, the State Banking Commission, the Credit Union Division, the Cemetery Commission, the Utilities Commission and Public Staff, and the Rural Electrification Authority to study the types of services provided by the Department and various formulas or methodologies for determining the costs of those services.

Subsection (a) further requires that each agency and the Department develop a Memorandum of Understanding (MOU) that details the services the Department will provide.

Subsection (b) requires the Department to report the results of these studies to the Senate Appropriations Committee on Natural and Economic Resources, the House of Representative Appropriations Subcommittee on Natural and Economic Resources, and the Fiscal Research Division by May 1, 2012. The Department is further required to submit a copy of each MOU to the Fiscal Research Division by May 1, 2012.

Section: 14.8

Title: **INDUSTRIAL COMMISSION FEES/COMPUTER SYSTEM REPLACEMENT**

Summary Allows the Industrial Commission to keep any increase in the compromised settlement fee in excess of \$200 to replace existing computer hardware and software and to develop and administer databases for the new Electronic Case Management System.

Section: 14.8A

Title: **UTILITIES COMMISSION/TERMS OF COMMISSIONERS**

Summary Changes the Utilities Commissioners terms from eight years to six years effective January 1, 2012.

Section: 31.4

Title: **NER/COMMERCE/SET REGULATORY FEE FOR UTILITIES COMMISSION**

Summary Sets the regulatory fee for utilities at 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 set at \$200,000. These rates are the same as in FY 2010-11.

Commerce - State Aid

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$31,169,289		\$31,169,289	
Legislative Changes				
166 Ag in the Classroom	\$22,077	R	\$22,077	R
Transfers the appropriation for Ag in the Classroom from Agriculture to Commerce State-Aid. All nonprofits funded by the Natural and Economic Resources Subcommittee will now be funded out of Commerce State-Aid. (S.L. 2011-145, Sec. 14.10)				
(This transfer also appears in the Agriculture section of the Committee Report. See page H-3, item 12.)				
167 Association of Community Development Corporations (CDCs)	(\$196,137)	R	(\$147,103)	R
Reduces the recurring pass-through appropriation for the Association of CDCs by 20% for FY 2011-12 and by 15% in FY 2012-13. (S.L. 2011-145, Sec. 14.10)				
168 Biofuels Center	(\$500,000)	R	(\$500,000)	R
Reduces the recurring pass-through appropriation for the Biofuels Center by 10%, leaving \$4,500,000 recurring. (S.L. 2011-145, Sec. 14.14)				
169 Community Development Initiative	(\$936,548)	R	(\$702,411)	R
Reduces the recurring pass-through appropriation for the Community Development Initiative by 20% for FY 2011-12 and by 15% for FY 2012-13. (S.L. 2011-145, Sec. 14.10)				
170 Councils of Government (COGs)	(\$60,563)	R	(\$60,563)	R
Reduces the recurring pass-through appropriation for the COGs. (S.L. 2011-145, Sec. 14.12A)				
171 Defense & Security Technology Accelerator	\$700,000	NR	\$700,000	NR
Provides funding to the Defense & Security Technology Accelerator for FY 2011-12 and FY 2012-13. (S.B. 30; S.L. 2011-145, Sec. 14.10)				
172 e-NC Authority	(\$442,035)	R	(\$442,035)	R
Eliminates all funding to the e-NC Authority. (S.L. 2011-145, Sec. 14.12C)				

173 FFA Foundation

\$37,531 R

\$37,531 R

Transfers the appropriation for the FFA Foundation from Agriculture to Commerce State-Aid. A 15% reduction is taken, leaving \$37,531 recurring. All nonprofits funded by the Natural and Economic Resources Subcommittee will now be funded out of Commerce State-Aid. (S.L. 2011-145, Sec. 14.10)

(This transfer also appears in the Agriculture section of the Committee Report. See page H-3, item 13.)

174 Grassroots Science Museums

\$2,899,885 R

\$2,899,885 R

Transfers the appropriation for the Grassroots Science Museums Collaborative from DENR to Commerce State-Aid. A 15% reduction is taken, leaving \$2,899,885 recurring. All nonprofits funded by the Natural and Economic Resources Subcommittee will now be funded out of Commerce State-Aid. (S.L. 2011-145, Sec. 14.11)

(The transfer also appears in the DENR section of the Committee Report. See page H-14, item 52.)

175 High Point Furniture Market

(\$120,972) R

(\$120,972) R

Reduces the recurring pass-through appropriation for the High Point Furniture Market by 15%, leaving \$685,507 recurring. (H.B. 169/S.B. 188; S.L. 2011-145, Sec. 14.10)

176 Indian Economic Development Initiative

\$90,000 R

\$90,000 R

Provides recurring funding to the Indian Economic Development Initiative. (S.L. 2011-145, Sec. 14.10)

177 Institute for Regenerative Medicine

(\$2,000,000) R

(\$2,000,000) R

Reduces the recurring pass-through appropriation for the Institute for Regenerative Medicine. (S.L. 2011-145, Sec. 14.12)

178 Institute of Minority Economic Development

(\$377,612) R

(\$377,612) R

Reduces the recurring pass-through appropriation for the Institute of Minority Economic Development by 15%, leaving \$2,139,793 recurring. (S.L. 2011-145, Sec. 14.10)

179 Johnson & Wales

Appropriates \$500,000 to Johnson & Wales University for FY 2011-12. (S.L. 2011-145, Sec. 14.10)

\$500,000 NR

180 Land Loss Prevention Project

(\$139,492) R

(\$106,119) R

Reduces the recurring pass-through appropriation for the Land Loss Prevention Project by 20% for FY 2011-12 and by 15% for FY 2012-13. (S.L. 2011-145, Sec. 14.10)

181 Minority Support Center

(\$625,746) R

(\$469,309) R

Reduces the recurring pass-through appropriation for the Minority Support Center by 20% for FY 2011-12 and by 15% for FY 2012-13. (S.L. 2011-145, Sec. 14.10)

182 Partnership for the Sounds

\$409,326 R

\$409,326 R

Transfers the appropriation for the Partnership for the Sounds from DENR to Commerce State-Aid. A 15% reduction is taken, leaving \$409,326 recurring. All nonprofits funded by the Natural and Economic Resources Subcommittee will now be funded out of Commerce State-Aid. (S.L. 2011-145, Sec. 14.10)

(This transfer also appears in the DENR section of the Committee Report. See page H-14, item 53.)

183 Regional Economic Development Commissions

(\$250,000) R

(\$250,000) R

Reduces the recurring pass-through appropriation for the Regional Economic Development Commissions by 10%, leaving \$2,250,000 recurring and provides \$2,172,022 in non-recurring funds for FY 2011-12. (S.L. 2011-145, Sec. 14.13)

\$2,172,022 NR

184 RTI International

Provides \$500,000 NR for RTI to match US Department of Energy grant funds. (S.L. 2011-145, Sec. 14.12B)

\$500,000 NR

Total Legislative Changes

(\$2,190,286) R

(\$1,717,305) R

\$3,872,022 NR

\$700,000 NR

Total Position Changes**Revised Budget**

\$32,851,025

\$30,151,984

Special Provisions

2011 Session: HB 22

Department: Commerce - State Aid

Section: 37

Title: **TECHNICAL CHANGE: REGIONAL ECONOMIC DEVELOPMENT COMMISSIONS**

Summary Changes the maximum amount in State funds to be used for the salary of any one Regional Commission employee from \$100,000 to \$120,000. \$100,000 was erroneously included in section 14.13 of S.L. 2011-145.

2011 Session: HB 200

Department: Commerce - State Aid

Section: 14.10

Title: **STATE-AID REPORTING REQUIREMENTS**

Summary Requires all non-profits receiving funds through Commerce-State Aid to report on the use of funds by September 1 of each year to the Joint Legislative Commission on Governmental Operations. This provision restricts allocation of funds for entities not complying with this requirement. Beginning in FY 2012-13, this provision requires that no more than \$120,000 in State funds be spent on the salary of any one employee employed by any of these entities.

Section: 14.11

Title: **GRASSROOTS SCIENCE PROGRAM**

Summary Appropriates funds to the Grassroots Science Museums. Subsection (a) transfers the program from the Department of Environment and Natural Sciences to the Department of Commerce. Subsection (b) allocates \$2,899,885 in each year of the biennium to 27 science museums throughout the State. Subsections (c) - (f) outline the reporting requirements of the recipient museums, the conditions for qualifying to receive funding, and the definition of a "friends association." Subsection (g) specifies that beginning in FY 2012-13, no more than \$120,000 in State funds may be used for the salary of any one employee of any of the recipient museums.

Section: 14.12

Title: **WAKE FOREST INSTITUTE FOR REGENERATIVE MEDICINE/PROFIT SHARING WITH STATE**

Summary Specifies the reporting and profit sharing requirements for the Institute for Regenerative Medicine. Subsection (a) requires that the Institute reimburse the State for funds appropriated to it by returning 5% of the royalty revenue received by the Institute for inventions arising under research projects to which State funds were allocated. Limitations are placed on the amount that can be reimbursed, including that the total amount reimbursed cannot be more than the appropriated funds plus 4% annual simple interest. Additionally, the Institute can deduct expenses for prosecuting, defending, and enforcing patent rights and payments made to the State have to be used in a manner consistent with Title 35 of the US Code, section 202, subdivision (c)(7).

Subsection (b) requires that the Institute submit an annual report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by September 1 of each year, as well as audited financial statements within 30 days of issuance.

Subsection (c) specifies that funds shall not be allocated to the Institute if the reporting requirements are not met. Subsection (d) requires that beginning in FY 2012-13, no more than \$120,000 in State funds shall be used to pay the salary of any one employee.

Section: 14.12A

Title: **COUNCIL OF GOVERNMENT FUNDS**

Summary Appropriates \$343,187 to the State's seventeen Councils of Government (COGs) for FY 2011-12 and FY 2012-13. The provision outlines reporting requirements that each COG must submit an annual report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by September 1 of each year, as well as audited financial statements within 30 days of issuance.

Section: 14.12B

Title: **RTI INTERNATIONAL/REPORTING REQUIREMENTS; USE OF STATE FUNDS**

Summary Requires that RTI International submit an annual report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division by September 1 of each year, as well as audited financial statements within 30 days of issuance. Subsection (b) specifies that funds shall not be allocated to RTI if the reporting requirements are not met. Subsection (c) requires that the funds be used for new research within the State and that unexpended and unencumbered funds revert on June 30, 2012. Subsection (d) requires that beginning in FY 2012-13, no more than \$120,000 in State funds shall be used to pay the salary of any one employee.

Section: 14.12C

Title: **E-NC AUTHORITY TO TRANSFER FEDERAL GRANT FOR BROADBAND MAPPING TO DEPARTMENT OF COMMERCE**

Summary Directs the e-NC Authority to consult with the National Telecommunications and Information Administration to transfer the project titled NC BRIM, Broadband-Rigor in Mapping, to the Department of Commerce.

Section: 14.13

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 appropriation to the seven 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 amount. 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 for the, then named, Global TransPark Development Zone. In FY 2010-11 NC's Eastern Region reported \$174,890 in total interest earnings, which includes both interest on the remaining balance and on loans made from the original appropriation.

Finally, the \$174,890 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 \$100,000 per year. Subsection (d) encourages the Commissions to seek funding from other sources.

(S.L. 2011-391, Sec. 37, 2011 Budget Technical Corrections, amends this provision to change the salary cap in subsection (c) from \$100,000 to \$120,000.)

Section: 14.14

Title: **BIOFUELS CENTER OF NORTH CAROLINA**

Summary Allocates the appropriation for the Biofuels Center into five categories. The provision provides for up to 10% administrative flexibility between the five categories. It also requires that the Center report by September 1 to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on its activities. Beginning in FY 2012-13, this provision requires that no more than \$120,000 in State funds be spent on the salary of any one employee employed by the Center.

N.C. Biotechnology Center

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$19,501,900		\$19,501,900	
Legislative Changes				
185 Operating Funds	(\$1,950,190)	R	(\$1,950,190)	R
Reduces the recurring pass-through appropriation for the Biotechnology Center by 10%, leaving \$17,551,710 recurring. (S.L. 2011-145, Sec. 14.15)				
Total Legislative Changes	(\$1,950,190)	R	(\$1,950,190)	R
Total Position Changes				
Revised Budget	\$17,551,710		\$17,551,710	

Special Provisions

2011 Session: HB 200

Department: N.C. Biotechnology Center

Section: 14.15

Title: **NORTH CAROLINA BIOTECHNOLOGY CENTER**

Summary Allocates the appropriation for the NC Biotechnology Center into three categories. The provision provides for up to 10% administrative flexibility between the three categories. It also requires that the Center report by September 1, 2011 to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on its activities. The provision further specifies that beginning in FY 2012-13, no more than \$120,000 in State funds may be used for the salary of any one employee.

Rural Economic Development Center

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$22,640,814		\$22,640,814	
Legislative Changes				
186 Operating Reductions	(\$2,264,085)	R	(\$2,264,085)	R
Reduces the recurring pass-through appropriation for the Rural Center by 10%, leaving \$20,376,729 in recurring funding. (S.L. 2011-145, Sec. 14.16, 14.17 and 14.18)				
187 Emergency Rural Jobs Infrastructure Fund	\$5,000,000	NR	\$5,000,000	NR
Provides nonrecurring funding for FY 2011-12 and FY 2012-13 to establish the Emergency Rural Jobs Infrastructure Fund. (S.L. 2011-145, Sec. 14.20)				
Total Legislative Changes	(\$2,264,085)	R	(\$2,264,085)	R
	\$5,000,000	NR	\$5,000,000	NR
Total Position Changes				
Revised Budget	\$25,376,729		\$25,376,729	

Special Provisions

2011 Session: HB 200

Department: Rural Economic Development Center

Section: 14.16

Title: **RURAL ECONOMIC DEVELOPMENT CENTER**

Summary Allocates the Rural Center's core General Fund appropriation for FY 2011-12 and FY 2012-13. This provision defines community development corporations and requires the Rural Center to report to the Office of State Budget and Management for its biennial budget request. The provision defines "resident company" and requires the Rural Center to give preference to resident companies when awarding grants. The Rural Center shall submit an annual report by September 1 of each year to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division. Beginning in FY 2012-13, no more than \$120,000 in State funds shall be used to pay the salary of any one employee of the Rural Center.

Section: 14.17

Title: **RURAL ECONOMIC DEVELOPMENT CENTER/INFRASTRUCTURE PROGRAM**

Summary Allocates \$16,505,758 of the funds appropriated to the Rural Center for FY 2011-12 and FY 2012-13 to support the North Carolina Infrastructure Program. The provision defines "resident company" and requires the Rural Center to give preference to resident companies when awarding grants. The Rural Center may use up to \$329,178 each year for administrative expenses for the North Carolina Economic Infrastructure Program. The Rural Center shall submit an annual report by September 1 of each year to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

Section: 14.18

Title: **OPPORTUNITIES INDUSTRIALIZATION CENTERS FUNDS**

Summary Allocates \$287,280 of the funds appropriated to the Rural Center for FY 2011-12 and FY 2012-13 to be distributed to certified Opportunities Industrialization Centers (OICs) in the State. The provision requires the Rural Center to report on OICs by September 1 of each year and to ensure that each OIC files the appropriate statements with the Office of the State Auditor. The Rural Center shall not release any funds to any OIC with overdue tax debts.

Section: 14.20

Title: **RURAL CENTER/RURAL JOBS FUND**

Summary Appropriates \$5 million in nonrecurring funds in FY 2011-12 and FY 2012-13 to the Rural Center for emergency rural jobs infrastructure grants. The provision defines "economically distressed areas," "private sector jobs," and "rural county," and outlines the requirements for eligible applicants. The Rural Center shall not use more than 4% of this appropriation for administrative costs and shall not use these funds to make loans. The Rural Center shall submit an annual report by September 1 of each year to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division.

Wildlife Resources Commission

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$0		\$0	
Legislative Changes				
188 Operating Funds	\$18,000,000	R	\$18,000,000	R
Transfers the Wildlife Resource Commission to General Fund support. The expected sales tax transfer of \$22.97 million is changed to a \$18 million General Fund appropriation. Of the \$18 million appropriated to the Commission, \$250,000 shall be used to supplement the Beaver Management Assistance Program. These funds shall be in addition to the \$349,000 of Commission funds currently obligated for the program. (S.L. 2011-145, Sec. 13.27 & 13.29)				
Conservation Education				
189 Conservation Education	(\$778,821)	R	(\$778,821)	R
Eliminates recurring funding for the Conservation Education Division and makes the funding nonrecurring for FY 2011-12. This program is subject to Continuation Review. (S.L. 2011-145, Sec. 6.7)				
	\$778,821	NR		
Total Legislative Changes	\$17,221,179	R	\$17,221,179	R
	\$778,821	NR		
Total Position Changes				
Revised Budget	\$18,000,000		\$17,221,179	

Wildlife Receipts - Non-Interest Earning

Budget Code: 24353

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$0	\$0
Recommended Budget		
Requirements	\$21,500,000	\$21,500,000
Receipts	\$21,500,000	\$21,500,000
Positions	0.00	0.00

Legislative Changes**Requirements:**

Sales Tax Transfer	(\$21,500,000) R	(\$21,500,000) R
Eliminates the sales tax transfer to the Wildlife Resources Commission. The Commission will now be funded through the General Fund. (S.L. 2011-145, Section 13.27)	\$0 NR 0.00	\$0 NR 0.00
Subtotal Legislative Changes	(\$21,500,000) R \$0 NR 0.00	(\$21,500,000) R \$0 NR 0.00

Receipts:

Sales Tax Transfer	(\$21,500,000) R	(\$21,500,000) R
Eliminates the sales tax transfer to the Wildlife Resources Commission. The Commission will now be funded through the General Fund. (S.L. 2011-145, Section 13.27)	\$0 NR	\$0 NR
(S.L. 2011-391, Committee Report, 2011 Budget Technical Corrections, amends this item to reflect the loss of sales tax revenue to this fund.)		
Subtotal Legislative Changes	(\$21,500,000) R \$0 NR	(\$21,500,000) R \$0 NR

	FY 2011-12	FY 2012-13
Revised Total Requirements	\$0	\$0
Revised Total Receipts	\$0	\$0
Change in Fund Balance	\$0	\$0
Total Positions	0.00	0.00
Unappropriated Balance Remaining	\$0	\$0

Special Provisions

2011 Session: HB 200

Department: Wildlife Resources Commission

Section: 13.27

Title: **NEW FUNDING SOURCE FOR WILDLIFE RESOURCES COMMISSION BUDGET**

Summary Repeals G.S. 105-164.44B, which directs the Secretary of Revenue to transfer a portion of the sales tax directly to the Wildlife Resources Commission (WRC). Subsection (b) directs the Office of State Budget & Management, the Office of the State Controller, and WRC to work together to transfer the Commission's budget from sales tax to General Fund support. Subsection (b) also provides that all General Fund appropriation provided to the Commission shall be transferred to the Wildlife Resources Fund and used for personal services expenditures only.

Section: 13.28

Title: **ANNUAL REPORT TO GOV OPS ON WILDLIFE RESOURCES FUND EXPENDITURES**

Summary Amends G.S. 143-250 to specify that the required report on expenditures from the Wildlife Resources Fund is to be submitted annually to the Joint Legislative Committee on Governmental Operations by October 1. Previously, the report was only submitted when funds from the Wildlife Resources Fund were expended in excess of the amount authorized in the enacted budget.

The report is to include information on the expenditure of the Wildlife Resources Fund during the prior fiscal year as well as information on the planned expenditures during the current fiscal year.

Section: 13.29

Title: **ANNUAL APPROPRIATIONS FOR BEAVER DAMAGE CONTROL PROGRAM FROM FUNDS AVAILABLE TO THE WILDLIFE RESOURCES COMMISSION**

Summary Amends G.S. 113-291.10(f) by replacing the requirement that \$349,000 of funds available to WRC be used for the Beaver Management Assistance Program with language indicating that WRC is to use the amount of funds specifically appropriated for the program. For both years of the FY 2011-13 biennium, \$599,000 (the original \$349,000 plus an additional \$250,000) is appropriated for this program.

**JUSTICE
&
PUBLIC SAFETY
Section I**

Judicial

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$477,189,575		\$477,189,575	
Legislative Changes				
1 Eliminate VRIF Positions	(\$12,935,761)	R	(\$12,935,761)	R
Eliminates 194.5 full-time equivalent positions within the Judicial Branch. These positions became vacant effective March 1, 2011, through a voluntary reduction in force implemented by the Administrative Office of the Courts.	-194.50		-194.50	
2 Freeze Statutory Pay Plans	(\$6,390,013)	R	(\$6,390,013)	R
Eliminates a recurring reserve in the continuation budget for statutory pay plans for Deputy Clerks and Magistrates. These pay increases will be frozen for the 2011-13 fiscal biennium.				
3 Reduce Continuation Budget Increases	(\$5,282,000)	R	(\$5,282,000)	R
Reduces restored funds in the Administrative Office of the Courts' continuation budget. The AOC budget included a non-recurring reduction in FY 2010-11; the AOC eliminated positions to comply with this reduction, so the restorations to Personal Services line items can be eliminated as the positions they were associated with no longer exist.				
4 Freeze Field Vacancies for Two Years	(\$1,681,000)	NR	(\$1,681,000)	NR
Implements a hiring freeze on 35 vacant positions for the 2011-13 fiscal biennium. The freeze includes the following positions:				
18 Deputy Clerks				
3 Assistant District Attorneys				
7 Superior Court Judicial Assistants				
4 District Court Judicial Assistants				
3 Court Reporters				
5 Discretionary Position Reduction	(\$256,122)	R	(\$256,122)	R
Allows the Administrative Office of the Courts to identify positions, either vacant or filled, to eliminate to achieve required savings level of \$256,122. The agency will report on the positions eliminated to the Chairs of the Justice and Public Safety Appropriations Subcommittee.				

6 Eliminate Dispute Resolution

(\$1,139,513) R

(\$1,139,513) R

Eliminates all State funding for the non-profit mediation centers. The State appropriation accounts for 19% of the combined budgets for mediation centers on average. Because these centers are not-for-profit, non-State entities, they are able to charge a fee for any service provided to cover their costs.

7 Eliminate Juvenile Court Coordinator Pilot Program

(\$108,678) R

(\$108,678) R

Eliminates two Juvenile Court Coordinator positions associated with a court improvement pilot initiative that is ending.

-2.00

-2.00

8 Reduce Access to Civil Justice Pass-Through

(\$112,500) R

(\$112,500) R

Reduces the direct appropriation to the State Bar for Access to Civil Justice by \$112,500, leaving \$600,000 in the pass-through.

Office-District Attorney**9 Reduce District Attorney Support Staff**

(\$2,576,145) R

(\$2,576,145) R

Reduces the number of support staff in District Attorneys' offices. There are currently 599 Assistant District Attorney positions and 550 support staff positions - a ratio of 1:1.08. The Administrative Office of the Courts is directed to take reductions based on a blended ratio/workload approach.

-55.00

-55.00

(S.L. 2011-391, Sec. 40.1, amended this item to clarify that there is no limitation on the reduction any one prosecutorial office may have to take.)

Technology Services**10 Reduce AOC Technology Services**

(\$4,918,000) R

(\$4,918,000) R

Reduces the budget for technology within the Judicial Branch. It is the intent of the General Assembly that new application development projects should be funded on a case-by-case basis by the legislature with clear timetables and budget projections.

Trial Courts**11 Eliminate Vacant Magistrate Positions**

(\$826,272) R

(\$1,739,520) R

Eliminates vacant magistrate positions based on workload. The Administrative Office of the Courts' workload formula for magistrates indicates that there are over 60 more magistrates than necessary for the workload. Eliminates 19 positions currently vacant and an additional 42 vacancies occurring on January 1, 2013.

-19.00

-61.00

12 Eliminate Drug Treatment Court

(\$2,043,523) R

(\$2,043,523) R

Eliminates all State funding for the Drug Treatment Court program.

-32.00

-32.00

13 Continuation Review of Family Court

Eliminates recurring funding for the Family Court Program pending the outcome of a Continuation Review. (S.L. 2011-145, Sec. 6.7)

(\$2,865,693) R
\$2,865,693 NR

(\$2,865,693) R
-44.00

Total Legislative Changes

(\$39,454,220) R
\$1,184,693 NR

(\$40,367,468) R
(\$1,681,000) NR

Total Position Changes

-302.50

-388.50

Revised Budget

\$438,920,048

\$435,141,107

Special Provisions

2011 Session: **HB 22**

Department: Judicial

Section: 40.1

Title: **TECHNICAL CHANGE: PROSECUTORIAL OFFICE STAFF**

Summary: Adds a new section 15.23 to S.L. 2011-145, Appropriations Act of 2011, to clarify that reductions in Victim Witness Legal Assistant positions are based on workload measures and that there is no limit on the percentage reduction that any one prosecutorial office may take.

Section: 62

Title: **BUDGET CHANGE: CLARIFY NEW CIVIL MOTIONS FEE**

Summary: Amends subsection 31.23(d) of S.L. 2011-145, Appropriations Act of 2011, to clarify that the new civil motions fee applies only to filings that require a notice of hearing in estate cases.

Section: 63

Title: **BUDGET CHANGE: CODIFY APPLICATION OF CHANGES TO COURT COSTS**

Summary: Adds a new section 31.23B to S.L. 2011-145, Appropriations Act of 2011. The new section amends G.S. 7A-304 to add a new subsection to clarify that the costs or fees associated with misdemeanor or infraction cases in which a citation was issued before the effective date of a fee increase will be the cost or fees printed on the notice portion of the defendant's copy of the citation, provided that it is being disposed of through written appearance, waiver of trial or hearing, and a plea of guilt or admission of responsibility.

Section: 64

Title: **BUDGET CHANGE: WITNESS FEE AMENDMENT**

Summary: Adds a new section 31.23C to S.L. 2011-145, Appropriations Act of 2011. The new section amends G.S. 7A-314 to allow the Administrative Office of the Courts (AOC) to adopt rules to establish compensation rates for witnesses acting on the behalf of the court or prosecutorial offices. The Office of Indigent Defense Services (OIDS) shall adopt rules to establish compensation rates for witnesses called on behalf of OIDS pursuant to G.S. 7A-454.

Section: 66

Title: **TECHNICAL CHANGE: LABORATORY FACILITIES FEE EXPANSION**

Summary: Repeals subsection 31.26A of S.L. 2011-145, Appropriations Act of 2011, Laboratory Facilities Fee Expansion. This provision was duplicative.

Section: 66.1

Title: **BUDGET CHANGE: CLARIFY NEW CIVIL MOTIONS FILING FEE**

Summary: Amends section 31.23 of S.L. 2011-145, Appropriations Act of 2011, by adding a new subsection (g) to exempt actions commenced or prosecuted pursuant to Article 9 of G.S. 110, Child Welfare, from the new civil motions filing fee.

2011 Session: HB 200

Department: Judicial

Section: 15.1

Title: **GRANT FUNDS**

Summary: Authorizes AOC to spend up to \$1.5 million in available funds as the required State match for federal grants. AOC must report to the chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety and to the Joint Legislative Commission on Governmental Operations prior to using funds for this purpose.

Section: 15.2

Title: **TRANSFER OF EQUIPMENT AND SUPPLY FUNDS**

Summary: Allows funds appropriated for equipment and supplies to be placed in a single reserve account and authorizes AOC to allocate those funds as needed to appropriate cost centers.

Section: 15.3

Title: **REIMBURSEMENT FOR USE OF PERSONAL VEHICLES**

Summary: Allows AOC to reimburse staff for the use of privately-owned vehicles at a mileage rate less than the IRS standard business rate.

Section: 15.4

Title: **COLLECTION OF WORTHLESS CHECK FUNDS**

Summary: Allows AOC to use funds remaining at the end of the year in the Worthless Check Fund to purchase or repair office and computer equipment in the prosecutorial offices where they operate. AOC must report to the Joint Legislative Commission on Governmental Operations prior to using these funds.

Section: 15.5

Title: **DISPUTE RESOLUTION FEES**

Summary: Amends G.S. 7A-382(d) to clarify that certification and renewal fees collected by the Dispute Resolution Commission are nonreverting and are only to be used at the direction of the Commission.

Section: 15.6

Title: **WORKLOAD FORMULA FOR SUPERIOR COURT JUDGES/MINUTES MAINTAINED BY THE CLERK OF SUPERIOR COURT TO RECORD CONVENING AND ADJOURNMENT OR RECESS OF COURT**

Summary: Directs AOC to work with the National Center for State Courts to develop a workload formula for superior court judges. AOC is required to report the results of the formula to the House and Senate Appropriations Subcommittees on Justice and Public Safety by December 1, 2011. Subsection (b) of the provision amends G.S. 7A-109 to add a new section requiring the clerk to record the date and time of each convening, recess, or adjournment of court. Subsection (c) of the provision requires AOC to provide a monthly report on the records of the dates and times of convening, recess, and adjournment of courts to the National Center for State Courts, the Fiscal Research Division, and the Study Committee on Consolidation of Judicial and Prosecutorial Districts.

Section: 15.7

Title: **STUDY FEASIBILITY OF OFFICE OF PROSECUTORIAL SERVICES**

Summary: Directs the School of Government at UNC-Chapel Hill to study the feasibility and cost of creating an Office of Prosecutorial Services within the Judicial Branch. The results of the study will be submitted to the House and Senate Appropriations Subcommittees on Justice and Public Safety by April 1, 2012.

Subsection (b) of the provision allows the Conference of District Attorneys to use funds available to contract for an analysis of the differences between the budgeted and actual position and associated costs in prosecutors' offices.

Section: 15.8

Title: **ENSURE MINIMUM NUMBER OF CLERK OF COURT STAFF**

Summary: Amends G.S. 7A-102(a) to clarify that no office of clerk of superior court shall have less than five total staff positions in addition to the elected clerk. (H.B. 405)

Section: 15.9

Title: **STUDY INFRACTIONS AND WAIVABLE OFFENSES**

Summary: Directs the Revenue Laws Study Committee to study the penalties and fines for infractions and waivable offenses. The Committee shall report its findings to the 2012 Regular Session of the 2011 General Assembly upon its convening.

Section: 15.10

Title: **WAIVER OF CRIMINAL COURT COSTS ONLY WHEN JUDGE MAKES FINDING OF JUST CAUSE TO GRANT WAIVER**

Summary: Amends G.S. 7A-304(a) to require the judge to make a written finding of just cause prior to waiving court costs.

Section: 15.11

Title: **STUDY CONSOLIDATION OF JUDICIAL AND PROSECUTORIAL DISTRICTS**

Summary: Creates the Study Committee on Consolidation of Judicial and Prosecutorial Districts, consisting of ten members, five each from the House and Senate. The Committee shall study the number and structure of judicial and prosecutorial districts in the State and shall make a final report to the General Assembly upon convening of the 2012 Regular Session.

Section: 15.11A

Title: **STATEWIDE ADMINISTRATIVE COURT SESSIONS**

Summary: Requires AOC to develop protocols to offer regular Administrative Court sessions in each district court district in the State for the purpose of hearing Chapter 20 (traffic) infractions. Each district shall offer Administrative Court regularly by October 1, 2011. AOC shall report to the Joint Legislative Commission on Governmental Operations by February 1, 2012 on the scheduling and deployment of resources associated with the provision.

Section: 15.21

Title: **TRIAL COURT ADMINISTRATOR POSITIONS**

Summary: Sets out which judicial districts will have trial court administrator positions: 4 (Duplin, Jones, Onslow, Sampson), 5 (Pender), 7B/7C (Wilson), 10 (Wake), 12 (Cumberland), 14 (Durham), 18 (Guilford), 21 (Forsyth), 26 (Mecklenburg), and 28 (Buncombe).

Section: 31.23

Title: **JPS/AOC/INCREASE CERTAIN COURT COSTS**

Summary: Increases various court costs as follows:

Cost	From:	To:
Superior Court - Civil:	\$120.00	\$180.00
Superior Court - Criminal:	\$102.50	\$154.50
District Court - Civil:	\$ 80.00	\$130.00
District Court - Criminal:	\$100.50	\$129.50
Magistrate - Civil:	\$ 55.00	\$ 80.00
Special Proceedings:	\$ 75.00	\$106.00
Estates:	\$ 75.00	\$106.00
Add'l Civil Motions:	New	\$ 20.00
Reissuance of Summons:	New	\$ 15.00
Foreclosure Cost:	\$150.00	\$300.00
District Court - Counterclaim:	New	\$130.00
Superior Court - Counterclaim:	New	\$180.00

Fee increases go into effect July 1, 2011.

(S.L. 2011-391, Sec. 62, Budget Technical Corrections, amends this section to clarify that the new civil motions fee only applies to civil motions requiring a notice of hearing. S.L. 2011-391, Sec. 66, Budget Technical Corrections, amends this section to add a new subsection (g) to state that the new civil motions fee does not apply to actions commenced or persecuted pursuant to Article 9 of Chapter 110 of the General Statutes (Child Welfare).)

Section: 31.24

Title: **JPS/AOC/COMMUNITY MEDIATION CENTERS/WORTHLESS CHECK PROGRAMS**

Summary: Amends G.S. 14-107.2 to add a new subsection (b1) to allow a community mediation center to charge fees for its services in the collection of worthless checks. The provision also amends G.S. 7A-38.5(a) to allow a community mediation center to charge fees for its mediation services. Finally, the provision requires each community mediation center to report on its program's funding and activities to the Mediation Network of North Carolina. The Mediation Network of North Carolina is required to report on this information to the Chairs of the House and Senate Appropriations Committees and the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety by February 1 of each year.

Subsection (d) of this provision amends G.S. 7A-38.7 to clarify that the fee collected for dispute resolution is to support the services provided by the community mediation centers and the Mediation Network of North Carolina. The provision also allows the Mediation Network to retain up to \$3 of the fee for administrative expenses. The remainder of the fee will go to the mediation center that mediated the case.

Section: 31.26

Title: **JPS/AOC/CONTINGENT COURT COST INCREASES FOR COUNTIES**

Summary: Increases the following court fees, contingent upon passage of H.B. 642, Justice Reinvestment Act (S.L. 2011-192):

Cost	From:	To:
District Court - Facility Fee:	\$12.00	\$30.00
Civil Process Fee:	\$15.00	\$30.00
Daily Jail Fee:	\$ 5.00	\$10.00
Improper Equipment Plea:	New	\$50.00
Jail Inmate Medical Co-pay:	\$10.00	\$20.00

Revenue from these fees goes directly to the county in which the fee was collected. These increases are effective July 1, 2011.

Judicial - Indigent Defense

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$122,770,246		\$122,770,246	
Legislative Changes				
14 Reduce Private Assigned Counsel Funds	(\$7,897,882)	R	(\$7,897,882)	R
Reduces funding to the Private Assigned Counsel fund. The Office of Indigent Defense Services is directed to use its statutory authorization to set reimbursement rates based on projected utilization to minimize potential shortfalls in the fund, including setting differential rates for District and Superior Court work and setting fixed costs for high-volume, standard case types. The Office is also authorized to create regional public defender offices, which is expected to contain costs further. (S.L. 2011-145, Sec. 15.16)	(\$2,657,207)	NR		
15 Eliminate Sentencing Services	(\$2,123,631)	R	(\$2,123,631)	R
Eliminates all State funding for the Sentencing Services Program. Pre-sentencing assessment and referral services may be provided by probation officers and by the Treatment Accountability for Safer Communities (TASC) program in the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services at the request of the court.	-11.40		-11.40	
Total Legislative Changes	(\$10,021,513)	R	(\$10,021,513)	R
	(\$2,657,207)	NR		
Total Position Changes	-11.40		-11.40	
Revised Budget	\$110,091,526		\$112,748,733	

Special Provisions

2011 Session: HB 22

Department: Judicial - Indigent Defense

Section: 39

Title: BUDGET CHANGE: CLARIFY REQUEST FOR PROPOSALS

Summary: Amends section 15.16(c) of S.L. 2011-145, Appropriations Act of 2011, to clarify that the quality of representation should be considered in addition to cost when awarding contracts for private legal services.

Section: 40

Title: TECHNICAL CHANGE: INDIGENT DEFENSE SERVICE/STATE MATCH FOR GRANTS

Summary: Adds a new section 15.22 to S.L. 2011-145, Appropriations Act of 2011, that was inadvertently left out of the original bill. The new section is boilerplate language that allows the Office of Indigent Defense Services (OIDS) to use up to \$50,000 from available funds to provide the State matching funds needed to receive federal grants.

2011 Session: HB 200

Department: Judicial - Indigent Defense

Section: 15.16

Title: OFFICE OF INDIGENT DEFENSE SERVICES EXPANSION FUNDS/EXPANSION OF PUBLIC DEFENDER OFFICES

Summary: Allows OIDS to use up to \$2.15 million in FY 2011-12 from funds available for the Private Assigned Counsel Fund to create new positions in existing Public Defender district offices across the State and to regionalize existing offices beyond their current judicial districts.

Subsection (b) changes the appointing authority for vacant public defender positions from the senior resident superior court judge to the Commission on Indigent Defense Services.

Subsection (c) directs the OIDS to issue a request for proposals from private law firms for the provision of all legal services for indigent clients in all judicial districts. OIDS is required to report on the issuance of the request for proposals to the Joint Legislative Commission on Governmental Operations by October 1, 2011.

(S.L. 2011-391, Sec. 39, Budget Technical Corrections, amended this provision to clarify that the ability of the potential contractor to provide the service must be considered in addition to the cost when awarding a contract.)

Section: 15.17

Title: OFFICE OF INDIGENT DEFENSE SERVICES REPORT

Summary: Requires OIDS to report to the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by March 1 of each year on the services provided by the various districts, including the volume and cost of cases and actions taken to improve cost-effectiveness.

Section: 15.18

Title: **AUDIT OF FARMWORKER LEGAL AID PROGRAM**

Summary: Requires the State Auditor to conduct a financial audit of the Farmworker Legal Aid program of Legal Aid of North Carolina. The State Auditor shall publish the audit no later than October 1, 2011.

Section: 15.20

Title: **LIMIT COMPENSATION RATE PAID TO EXPERT WITNESSES BY THE OFFICE OF INDIGENT DEFENSE SERVICES**

Summary: Limits the amount paid to expert witnesses by OIDS to no more than the amount paid to expert witnesses by AOC.

Justice

GENERAL FUND

			FY 11-12		FY 12-13	
Adjusted Continuation Budget			\$89,670,944		\$89,670,944	
Legislative Changes						
A. Department-wide						
16 Vacant Position Reduction			(\$2,527,438)	R	(\$2,527,438)	R
Eliminates vacant positions throughout the Department.						
			-40.31		-40.31	
17 Miscellaneous Operating Reductions			(\$1,325,000)	R	(\$1,325,000)	R
Makes recurring operating reductions that were taken on a non-recurring basis in FY 2010-11.						
B. Administration						
18 Executive Staff			(\$551,993)	R	(\$551,993)	R
Eliminates the following executive staff positions:						
			-5.00		-5.00	
Position	Total					
Number Title	Position Cost					
60010114 Chief Deputy II	\$136,803					
60010136 Chief Deputy II	\$138,294					
60010135 Administrative Secretary	\$ 55,436					
60010111 Special Cnsl for Dev.	\$117,057					
60010141 Special Counsel	\$104,403					
19 Information Technology Administration			(\$250,347)	R	(\$250,347)	R
Reorganizes the information technology section administration by eliminating two IT director positions (60011101 and 60011154).						
			-2.00		-2.00	
20 Administrative Efficiencies			(\$654,404)	R	(\$654,404)	R
Reduces administrative positions based on the following ratios:						
			-10.00		-10.00	
Human Resources: 1 position for every 150 full-time equivalent (FTE) employees.						
Fiscal/Budgeting: 1 position for every \$8 million of total budget requirements.						
Purchasing: 1 position for every \$11 million of goods or services purchased.						
21 Finance Staff Receipts			(\$100,681)	R	(\$100,681)	R
Shifts two finance staff positions to receipt support.						
			-2.00		-2.00	

22 Postage Budget

(\$93,000) R

(\$93,000) R

Reduces the postage budget for the Department.

C. Legal Services**23 Consumer Protection Receipts**

(\$482,105) R

(\$482,105) R

Shifts nine consumer protection staff to receipt support.

-9.00

-9.00

24 NC LEAF

(\$356,250) R

(\$356,250) R

Eliminates the pass-through appropriation for the NC Legal Education Assistance Foundation.

25 Legal Services Division

(\$259,019) R

(\$259,019) R

Transfers the following positions to the General Assembly:

-3.00

-3.00

Position Number	Title	Total Position Cost
60010185	Asst. Attorney General	\$115,875
60010191	Asst. Attorney General	\$ 94,904
60010189	Administrative Assistant	\$ 48,240

D. State Bureau of Investigation**26 Criminal Background Check Receipts**

(\$396,189) R

(\$396,189) R

Shifts eight Criminal Background staff to receipt support.

-8.00

-8.00

27 SBI Personal Services

(\$141,797) R

(\$141,797) R

Reduces the personal services line in the SBI budget to more accurately reflect actual expenditures.

(\$160,125) NR

28 SBI Workload Reduction

(\$1,123,812) R

(\$1,123,812) R

Reduces State Bureau of Investigation staff based on actual workloads.

-18.00

-18.00

29 Sale of Aircraft

(\$16,835) R

(\$16,835) R

Requires the SBI to sell one of its three aircraft in accordance with the Program Evaluation Division's recommendation in Report #2010-04, and reduces the SBI's operating budget to eliminate funding for insurance and maintenance costs for that aircraft.

E. Training and Standards**30 Academy Bookstore Receipts**

(\$137,487) R

(\$137,487) R

Shifts three bookstore staff positions to receipt support.

-3.00

-3.00

31 Academy Staff Efficiencies

(\$390,449) R

(\$390,449) R

Consolidates administration of the two training academies and increases receipts for the use of facilities by non-law enforcement agencies. The following positions are eliminated:

-5.00

-5.00

Position Number	Title	FTE	Total Position Cost
60011295	CJ Training Coord I	1.0	\$62,010
60011353	CJ Training Coord I	0.5	\$46,471
60011397	CJ Training Coord I	1.0	\$71,173
60011369	Housekeeping Team Ldr	1.0	\$37,204

The following positions are shifted to receipt support:

Position Number	Title	FTE	Total Position Cost
60011372	Housekeeper	0.5	\$35,459
60011377	Security Guard	1.0	\$38,132

Total Legislative Changes

(\$8,806,806) R

(\$8,806,806) R

(\$160,125) NR

Total Position Changes

-105.31

-105.31

Revised Budget**\$80,704,013****\$80,864,138**

Special Provisions

2011 Session: HB 200

Department: Justice

Section: 16.1

Title: USE OF SEIZED AND FORFEITED PROPERTY TRANSFERRED TO STATE LAW ENFORCEMENT AGENCIES BY THE FEDERAL GOVERNMENT

Summary: Requires the Departments of Justice, Correction, and Crime Control and Public Safety to report to the Joint Legislative Commission on Governmental Operations on the receipt and intended use of federally-forfeited funds or assets.

Section: 16.2

Title: PURCHASE OF TIME MANAGEMENT SOFTWARE

Summary: Requires the Department of Justice (DOJ) to use funds available to purchase time management software to be used to ensure adequate record keeping and management of the Department attorneys' time.

Section: 16.3

Title: PRIVATE PROTECTIVE SERVICES AND ALARM SYSTEMS LICENSING BOARDS PAY FOR USE OF STATE FACILITIES AND SERVICES

Summary: Directs the Private Protective Services and Alarm Systems Licensing Boards to pay for the use of State facilities and services.

Section: 16.4

Title: CERTAIN LITIGATION EXPENSES TO BE PAID BY CLIENTS

Summary: Requires departments, agencies, and boards to reimburse DOJ for litigation and other costs incurred by DOJ for services provided to these entities.

Section: 16.5

Title: HIRING OF SWORN STAFF POSITIONS FOR THE STATE BUREAU OF INVESTIGATION

Summary: Limits the hiring of sworn law enforcement personnel by the State Bureau of Investigation.

Section: 16.6

Title: CRIMINAL INFORMATION DATABASE STUDY

Summary: Requires DOJ to issue a request for information to determine the cost to have a private company maintain the software required for criminal information databases managed by the Criminal Information Division. The Department will report the results of the request to the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety and to the Fiscal Research Division by March 1, 2012.

Juvenile Justice & Delinquency Prevention

GENERAL FUND

Adjusted Continuation Budget		FY 11-12		FY 12-13	
		\$151,295,187		\$151,295,187	
Legislative Changes					
A. Department-wide					
32 Longevity		(\$138,777)	R	(\$138,777)	R
Makes a reduction to the budgeted amount for longevity to more accurately reflect actual expenditures.					
33 Equipment		(\$197,563)	R	(\$197,563)	R
Makes a reduction to the budgeted amount for equipment to more accurately reflect actual expenditures.					
34 Computer Services		(\$472,649)	R	(\$472,649)	R
Reduces the budget for computer services throughout the Department.					
35 Art, Artifacts, and Literature		(\$100,000)	R	(\$100,000)	R
Reduces the budget for art, artifacts, and literature to more accurately reflect actual expenditures.					
36 Utilities		(\$114,701)	R	(\$114,701)	R
Reduces the budget for utilities to more accurately reflect actual expenditures.					
37 Repair Services		(\$154,671)	R	(\$154,671)	R
Reduces the budget for repair services to more accurately reflect actual expenditures.					
38 Facility and Hardware Supplies		(\$25,367)	R	(\$25,367)	R
Reduces the budget for facility and hardware supplies.					
39 Vacant Positions		(\$222,448)	R	(\$222,448)	R
Eliminates the following vacant positions:					
		-3.00		-3.00	
Position	Total				
Number Title	Position Cost				
60001018 Business Services Coord.	\$ 52,194				
60089025 Administrative Officer I	\$ 65,489				
60000894 Quality Assurance Specialist	\$104,765				

B. Administration**40 Administrative Efficiencies**

(\$1,281,235)	R	(\$1,281,235)	R
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Reduces administrative positions based on the following ratios:

-20.00

-20.00

Human Resources: 1 position for every 150 full-time equivalent (FTE) employees.

Fiscal/Budgeting: 1 position for every \$8 million of total budget requirements.

Purchasing: 1 position for every \$11 million of goods or services purchased.

41 Consolidation Reduction

(\$591,228)	R	(\$1,182,455)	R
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Eliminates executive level positions as a result of consolidation of the Departments of Juvenile Justice and Delinquency Prevention, Crime Control and Public Safety, and Correction. Position eliminations are effective December 31, 2011. The following positions are eliminated in DJJDP:

-11.00

-11.00

Position Number	Title	Total Position Cost
60000889	Secretary	\$146,310
60000900	Chief Operating Officer	\$141,425
60000890	Deputy Secretary	\$131,110
60000968	Controller	\$117,886
60000964	Dir. of Budget Operations	\$ 96,241
60000893	Communications Director	\$ 79,945
60000896	Human Resources Director	\$125,296
60000916	Technical Services Manager	\$125,651
60001485	Legislative Liaison	\$ 97,686
60001049	Asst. to Human Resources Dir.	\$ 50,325
60000892	Executive Assistant	\$ 70,582

(S.L. 2011-145, Sec. 19.1)

42 Staff Development

(\$300,338)	R	(\$300,338)	R
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Eliminates five staff development positions. The Department can work with the Training Academies in the Department of Justice or the NC Community College System to provide this service.

-5.00

-5.00

43 IT Help Desk

(\$172,390)	R	(\$172,390)	R
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Eliminates two IT help desk positions. These positions are a duplication of services provided through the State's Office of Information Technology Services.

-1.60

-1.60

C. Detention Center Services**44 Detention Centers**

(\$1,143,137)	R	(\$1,143,137)	R
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Eliminates four Staff Psychologists at Wake, Richmond, New Hanover, and Cumberland Detention Centers. Eliminates 14 Youth Counselor Technicians from Perquimans, Pitt, Alexander, Cumberland, Richmond, Gaston, and Wake Detention Centers. Eliminates three Housing Unit Supervisors from Pitt, Alexander, and Cumberland.

-21.00

-21.00

45 Detention Center Receipts

(\$2,000,000)	R	(\$2,000,000)	R
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Eliminates the continuation budget increase for Detention Center receipts. G.S. 143B-530 requires that any county placing a juvenile in a detention facility in another county shall pay fifty percent of the total cost of caring for the juvenile to the Department.

D. Youth Development Centers**46 Swannanoa Youth Development Center**

(\$5,000,703)	R	(\$5,000,703)	R
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Eliminates funding and positions at Swannanoa Youth Development Center. The Department closed Swannanoa effective March 1, 2011.

-87.00

-87.00

47 DHHS Security Contract

(\$137,989)	R	(\$137,989)	R
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Eliminates funding for a contract with the Department of Health and Human Services (DHHS) for security services at Swannanoa Youth Development Center.

48 Samarkand Youth Development Center

(\$3,164,764)	R	(\$3,164,764)	R
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Eliminates funding and positions at the Samarkand Youth Development Center (YDC). Bed capacity at the remaining seven YDCs is sufficient to house the juveniles currently committed to Samarkand. The Department is encouraged to increase the use of community-based alternatives to commitment to continue to reduce the need for YDCs across the State.

-57.00

-57.00

49 Repair and Renovation Funds

Provides repair and renovation funds for Stonewall Jackson Youth Development Center (\$2,330,900) and C.A. Dillon Youth Development Center (\$1,531,000). Funds are to be used on repairs or renovations that increase the operational capacity of these youth development centers in order to provide more bed space at a lower cost. (S.L. 2011-145, Secs. 17.10 and 17.11)

\$3,861,900	NR
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E. Education and Treatment Services**50 School Superintendent**

(\$113,637)	R	(\$113,637)	R
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Eliminates the Superintendent position in DJJDP (position number 60000978). Superintendent responsibilities can be handled by the Chief Deputy Secretary for Juvenile Justice or the head of Education and Treatment Services.

-1.00		-1.00	
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51 Education Directors

(\$155,550)	R	(\$155,550)	R
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Eliminates two education directors (position numbers 60001052, 60001058). The Director for Exceptional Children remains, along with one education director that is 50% receipt supported and one education director that is 100% receipt supported. In addition, the Department of Public Instruction is available to provide consultation and assistance to all public education entities in the State.

-2.00		-2.00	
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52 Youth Development Center Principals

(\$336,275)	R	(\$336,275)	R
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Reduces the number of youth development center principals and assistant principals by four. Two vacant principal positions are eliminated (position numbers 60001614 and 60001205). The Department has discretion to determine which two remaining principal positions to eliminate.

-4.00		-4.00	
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53 Camp Woodson

(\$973,570)	R	(\$973,570)	R
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Eliminates funding for Camp Woodson. This therapeutic wilderness program was closed by the Department on March 1, 2011.

-19.00		-19.00	
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F. Community Programs**54 Juvenile Assessment Center**

(\$124,075)	R	(\$124,075)	R
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Eliminates the pass-through appropriation to the Juvenile Assessment Center in Cumberland County. This program may continue to receive funding through Juvenile Crime Prevention Council (JCPC) grants. (S.L. 2011-145, Sec. 17.12)

55 Project Challenge

(\$121,600)	R	(\$121,600)	R
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Eliminates the direct pass-through appropriation for Project Challenge. Project Challenge receives funding through the Juvenile Crime Prevention Council (JCPC) allotment. (S.L. 2011-145, Sec. 17.4)

G. Court Services**56 District Consolidation**

(\$563,240)	R	(\$563,240)	R
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Reduces the number of districts for the Department from 39 to 30. Eliminates funding for eight chief court counselors (two districts currently share a chief), leaving one chief court counselor for each district.

-8.00		-8.00	
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57 Court Counselor Allotment

Reduces the Court Counselor workload to one court counselor for every 32 complaints. This reduction is based on 2005 workload data. The Department is developing a new allotment formula that takes into account workloads and travel requirements. This new formula will be used to distribute court counselors among the 30 districts.

(\$1,957,488) R

(\$1,957,488) R

-39.00

-39.00

Total Legislative Changes

(\$19,563,395) R

(\$20,154,622) R

\$3,861,900 NR

Total Position Changes

-278.60

-278.60

Revised Budget

\$135,593,692

\$131,140,565

Special Provisions

2011 Session: HB 22

Department: Juvenile Justice & Delinquency Prevention

Section: 41

Title: BUDGET CHANGE: LIMIT USE OF WILDERNESS CAMP FUNDS

Summary: Rewrites Section 17.3 of S.L. 2011-145 to list the eligible uses of wilderness camp funds and to prohibit the use of these funds for youth development centers.

2011 Session: HB 200

Department: Juvenile Justice & Delinquency Prevention

Section: 17.1

Title: STATE FUNDS MAY BE USED AS FEDERAL MATCHING FUNDS

Summary: Allows the Department of Juvenile Justice and Delinquency Prevention (DJJDP) to use State funds to match Juvenile Accountability Incentive Block Grants. Requires DJJDP, the Office of State Budget and Management, and the Governor's Crime Commission to report to the Senate and House Appropriations Committees and the Joint Legislative Commission on Governmental Operations prior to the allocation of federal funds.

Section: 17.2

Title: ANNUAL EVALUATION OF COMMUNITY PROGRAMS

Summary: Requires DJJDP to conduct an annual evaluation of the wilderness camp programs and the multipurpose group homes. The evaluation is due to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee, the Chairs of the Senate and House Appropriations Committees and the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety by March 1 of each year.

Section: 17.3

Title: **ALLOCATE REALIZED SAVINGS OF WILDERNESS CAMPS TO FUND CERTAIN LEVEL 2 INTERMEDIATE DISPOSITIONAL ALTERNATIVES FOR JUVENILES**

Summary: Restricts the use of funds appropriated to the Department for wilderness camp contracts that are not used for wilderness camps to the following programs that provide Level 2 dispositions:

- Other statewide residential programs;
- Statewide community programs;
- Regional programs that are collaboratives of two or more JCPCs; or
- JCPC grants for Level 2 dispositions.

Subsection (b) states that under no circumstances may these funds be used for the staffing, operations, maintenance, or any other expenses of youth development centers.

Subsection (c) requires the Department to report on the use of these funds to the Senate and House Appropriations Subcommittees on Justice and Public Safety and to the Fiscal Research Division by October 1, 2011.

(S.L. 2011-391, Sec. 41, Budget Technical Corrections, amended this provision to include the list of eligible uses of the funds and to add language prohibiting the use of the funds for YDCs.)

Section: 17.4

Title: **JUVENILE CRIME PREVENTION COUNCIL FUNDS**

Summary: Requires DJJDP to submit an annual report on or before October 1 of each year to the Joint Legislative Commission on Governmental Operations and the Senate and House Appropriations Committees on the recipients of the grants awarded from the Juvenile Crime Prevention Council Fund.

Subsection (b) directs that \$121,600 of the funds appropriated for JCPC grants shall be transferred to Project Challenge North Carolina, Inc., to be used for the continued support of Project Challenge programs throughout the State.

Section: 17.5

Title: **FUNDING FOR JUVENILE JUSTICE AND DELINQUENCY PREVENTION PROGRAMMING**

Summary: Directs DJJDP to work with the Department of Public Instruction to identify all sources of funds that can be used to cover education programming costs at DJJDP. A report on the findings of DJJDP and DPI is due to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety and to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee by March 1, 2012.

Section: 17.6

Title: **DJJDP AND DOC JOINT EFFORT TO MAKE IN-HOME MONITORING AVAILABLE AS ALTERNATIVE TO DETENTION FOR JUVENILES**

Summary: Directs DJJDP and the Department of Correction to work together to increase the use of in-home monitoring as an alternative to detention for juveniles. DJJDP and DOC shall report their findings and recommendations to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety and to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee by September 1, 2011.

Section: 17.7

Title: **TREATMENT STAFFING MODEL AT YOUTH DEVELOPMENT CENTERS**

Summary: Caps the number staff at youth development centers at no more than 66 staff for a 32-bed facility, 198 staff for a 96-bed facility, and no more than 2.1 staff per juvenile at all other facilities.

Section: 17.8

Title: **YOUTH DEVELOPMENT CENTER ANNUAL REPORT**

Summary: Requires DJJDP to submit a report by October 1 of each year to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety and to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee, and the Fiscal Research Division on youth development center population, staffing, and capacity in the preceding fiscal year.

Section: 17.9

Title: **DJJDP FACILITY MONTHLY COMMITMENT REPORT**

Summary: Requires DJJDP to submit a monthly report to the Fiscal Research Division on the average daily population at each juvenile correctional facility.

Section: 17.10

Title: **USE OF INMATE LABOR FOR REPAIR AND RENOVATION OF YOUTH DEVELOPMENT CENTERS**

Summary: Directs DJJDP and the Department of Correction, in consultation with the Governor's Crime Commission, to establish policies regarding the appropriate use of inmate construction crews at DJJDP facilities. The policies shall be developed and ready for implementation by September 1, 2011.

Subsection (b) states that, effective September 1, 2011, DJJDP may use inmate construction crews provided by the Department of Correction for repair and renovation projects.

Section: 17.11

Title: **ALLOCATE FUNDS FOR REPAIRS AND RENOVATIONS TO STONEWALL JACKSON AND C.A. DILLON YOUTH DEVELOPMENT CENTERS**

Summary: Directs the use of repair and renovation funds appropriated to the Department for Jackson and Dillon YDCs. \$2,330,900 is appropriated for Jackson, and \$1,531,000 is appropriated for Dillon.

Section: 17.12

Title: **JUVENILE ASSESSMENT CENTER FUNDS**

Summary: Directs the Department to use \$124,075 of the funds appropriated in this act for the operation of the Cumberland Regional Juvenile Detention Center for the Juvenile Assessment Center.

Correction

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$1,421,644,768		\$1,418,867,332	
Legislative Changes				
A. Department-wide				
58 Administrative Efficiencies	(\$2,983,860)	R	(\$2,983,860)	R
Reduces administrative positions based on the following ratios:	-60.00		-60.00	
Human Resources: 1 position for every 150 full-time equivalent (FTE) employees.				
Fiscal/Budgeting: 1 position for every \$8 million of total budget requirements.				
Purchasing: 1 position for every \$11 million of goods or services purchased.				
59 Consolidation Reduction	(\$707,238)	R	(\$1,414,476)	R
Eliminates executive level positions as a result of consolidation of the Departments of Juvenile Justice and Delinquency Prevention, Crime Control and Public Safety, and Correction. Position eliminations are effective December 31, 2011. The following positions are eliminated in DOC:	-12.00		-12.00	
Position Number Title	Total Position Cost			
60056032 Secretary	\$146,309			
60056034 Administrative Assistant III	\$ 68,516			
60058360 Deputy Secretary/Commissioner IV	\$141,424			
60056033 Chief Operating Officer	\$151,109			
60056048 Executive Assistant I	\$ 51,797			
60056384 Accounting Director	\$136,885			
60056393 Accounting Manager	\$117,836			
60056146 Information Technology Executive	\$156,996			
60056264 Agency/University HR Director III	\$136,464			
60056255 DOC Special Assistant	\$ 91,556			
60056040 Director of Public Affairs	\$ 87,770			
60056051 Deputy Secretary/Commissioner II	\$127,815			
(S.L. 2011-145, Section 19.1)				
(S.L. 2011-391, Budget Technical Corrections, amends this item to substitute an Executive Assistant I position instead of an Administrative Secretary III position.)				
60 Reduce Temporary and Contractual Positions	(\$1,650,000)	R	(\$1,650,000)	R
Reduces the use of temporary and contractual staff department wide.				

2011 Annotated Conference Committee Report

61 Reduce Longevity Pay

Reduces the longevity pay line item to more accurately reflect actual expenditures.

FY 11-12

(\$2,009,625) R

FY 12-13

(\$2,009,625) R

62 Reduce the Motor Vehicle Continuation Budget

Reduces the Motor Vehicle Continuation Budget.

(\$950,000) R
(\$1,500,000) NR

(\$950,000) R

63 Reduce Clothing Budget

Reduces the clothing budget for inmate clothing and officer uniforms.

(\$1,000,000) R

(\$1,000,000) R

64 Reduce PC Equipment

Reduces the budget for personal computers replacement schedule.

(\$300,000) R

(\$300,000) R

65 Reduce Equipment Budget

Reduces the equipment budget.

(\$1,600,000) R

(\$1,600,000) R

66 Reduce Data Processing Equipment

Reduces the funding for data processing equipment.

(\$300,000) R

(\$300,000) R

67 Reduce Supplies Continuation Budget

Reduces the Supplies Continuation Budget.

(\$1,422,052) R

(\$1,422,052) R

68 Reduce Salary Reserve

Reduces funds budgeted for salaries in excess of actual salaries of employees.

(\$1,000,000) R

(\$1,000,000) R

69 Miscellaneous Contractual Services

Reduces the Miscellaneous Contractual Services Continuation Budget.

(\$750,000) R

(\$750,000) R

70 Reduce Travel Budget

Reduces the Department's travel budget.

(\$500,000) R

(\$500,000) R

71 Reduce Utility Budget

Reduces the Department's utility budget.

(\$2,000,000) R

(\$2,000,000) R

72 Reduce the Fringe Benefit Continuation Budget

Reduces the continuation budget increases for various fringe benefits accounts across the Department.

(\$5,429,410) R

(\$5,429,410) R

73 Eliminate Domestic Violence Rehabilitation Reserve

(\$100,000) R

(\$100,000) R

Eliminates the Domestic Violence Rehabilitation Reserve, which was funded in 2008. The Department was able to establish the domestic violence programs without ever making use of the appropriation. The domestic violence programs will continue to serve inmates at the same level.

74 Eliminate Parole Commission Support Position

(\$87,369) R

(\$87,369) R

Eliminates a Parole Commission administrative support position (position number 60076645). This reduction will have minimal impact on the Commission.

-1.00

-1.00

75 Vacant Positions

(\$14,132,696) R

(\$14,132,696) R

Eliminates up to 255 vacant positions throughout the Department.

-255.00

-255.00

(S.L. 2011-391, Budget Technical Corrections, amends this item to permit DOC to eliminate up to 255 vacant positions instead of 255 vacant positions.)

76 Eliminate Restoration Budget Reserve

(\$10,042,999) R

(\$10,042,999) R

Eliminates a continuation budget increase that restores a non-recurring reduction to the Department's budget for a lower than expected inmate population.

(\$11,957,001) NR

(\$11,957,001) NR

B. Department Management**77 Legal, License, and Permit**

(\$30,000) R

(\$30,000) R

Reduces the Legal, License, and Permit Continuation Budget.

78 Shift Accountants to Receipts

(\$110,829) R

(\$110,829) R

Funds accounting positions that support Correction Enterprise with receipts, eliminates the reimbursement from Correction Enterprise, and transfers the positions to the Correction Enterprise fund.

-8.00

-8.00

C. Prisons**79 Eliminate Maintenance Positions at Central Prison**

(\$221,696) R

(\$221,696) R

Eliminates five maintenance positions that manage the boiler operation at Central Prison. This reduction is possible due to facility improvements related to the Central Prison Hospital addition.

-5.00

-5.00

80 Reduce Inmate Costs

(\$2,500,000) R

(\$2,500,000) R

Reduces inmate costs by enabling inmates with shorter sentences to be rewarded for positive conduct and good behavior. These inmates would otherwise not be able to benefit from sentence reduction credits for program completion. No inmate would serve less than their minimum sentence.

81 Establish Two Release Dates Per Month

(\$571,000) R

(\$571,000) R

Establishes two release dates per month for inmates leaving prison. Inmates would still be required to serve their mandatory sentence, but would enable the Department of Correction to reduce the costs associated with transportation and processing inmates by improved coordination.

82 Shift Inmate Medical Costs to Medicaid

(\$3,000,000) R

(\$3,000,000) R

Shifts medical costs for Medicaid eligible inmates. The Department of Correction and the Department of Health and Human Services have developed a Memorandum of Understanding related to establishing the Medicaid eligibility of qualified inmates who receive inpatient services at a hospital and are away from the prison housing unit for 24 hours or longer. The Department of Correction will pay the State share of Medicaid.

83 Transfer Inmate Welfare Funds

Transfers a one-time payment of \$1 million from the Inmate Welfare Fund to the General Fund.

(\$1,000,000) NR

84 Transfer Correction Enterprise Funds

Transfers a one-time payment of \$1 million from the Correction Enterprise Fund to the General Fund.

(\$1,000,000) NR

85 Correction Enterprise Buy Back

Directs Correction Enterprise to buy back items currently held in the Department's Central Supply Warehouse. This reduction would shift the responsibility for storing excess supplies from the Department to the receipt-supported Correction Enterprise Fund.

(\$1,300,000) R

(\$1,300,000) R

86 Eliminate Community Work Crews

Eliminates Community Work Crews, which were partially restored in 2010 after a complete elimination in 2009. The Department was authorized to charge local government entities a \$150 per day fee to offset part of the cost of the eight-person crew plus one Correctional Officer. No local entity has ever paid the Work Crew fee.

(\$1,602,094) R

(\$1,602,094) R

-39.00

-39.00

87 Reduces Chaplains

Reduces Chaplain positions at minimum and medium custody prisons, and maintains at least one Chaplain position at each of the 14 close custody prisons. Each prison facility has a designated staff member responsible for coordinating the involvement and supervision of the Community Volunteer Program. This designee will coordinate the community volunteers, including the religious volunteers, at the minimum and medium custody prisons.

(\$1,386,653) R

(\$1,386,653) R

-25.00

-25.00

88 Eliminate Double Celling at Pamlico CI

Eliminates funding for double celling of inmates at Pamlico Correctional Institution. Implementation of double celling has been cancelled due to county waste water treatment capacity issues.

(\$2,395,452) R

(\$2,395,452) R

-57.00

-57.00

89 Eliminate Correctional Officer Positions

Eliminates 39 Correctional Officer positions associated with the Inmate Litter Crews. This reduction will eliminate positions that are not supported by receipts received from the Department of Transportation.

(\$1,560,000) R

(\$1,560,000) R

-39.00

-39.00

90 Eliminate Funding For Our Children's Place

Eliminates the pass-through appropriation for Our Children's Place, which has yet to become operational.

(\$104,025) R

(\$104,025) R

91 Justice Reinvestment Act: Prison Closures

Closes four minimum custody prisons and eliminates up to 203 positions, effective January 1, 2012. These prisons are closing as part of the Justice Reinvestment Act reforms.

(\$5,379,669) R

(\$10,759,336) R

-203.00

-203.00

(S.L. 2011-391, Budget Technical Corrections, amends this item to allow the Department to eliminate up to 203 positions as part of the closure of four minimum custody prisons.)

92 Justice Reinvestment Act: Diagnostic Center

Eliminates 18 diagnostic center positions at Neuse Correctional Institution and Fountain Correctional Center for Women. These positions are being eliminated as part of the Justice Reinvestment Act reforms.

(\$616,884) R

(\$822,513) R

-18.00

-18.00

93 Justice Reinvestment Act: Remove Misdemeanants

Removes misdemeanants with sentences of six months or less from State prisons and houses them in county facilities. Structured Sentencing misdemeanants with sentences longer than six months and Driving While Impaired misdemeanants will remain in the custody of the State. This change is part of the Justice Reinvestment Act reforms. The fee section of the budget proposes increasing the following court costs to offset the costs of housing misdemeanants: the District Criminal Court Facility court cost, which will generate an estimated \$19 million; and the Service of Civil Process court cost, which will generate an estimated \$3.3 million. In addition, the fee section establishes a new court cost for Improper Equipment dispositions, which will generate an estimated \$12 million, and increases the daily jail fee and jail inmate medical co-pay. It is unknown how much the daily jail fee and co-pay increase will generate. These court cost increases are contingent upon passage of legislation increasing the number of days misdemeanants are housed in county jails.

(\$3,980,368) R

(\$3,980,368) R

94 Operating Reserves For New Hospital Facilities

Reduces the operating reserves for the new hospitals at Central Prison and NC Correctional Institution for Women Mental Health Facility.

(\$299,859)	R	(\$299,859)	R
(\$1,164,417)	NR		
-3.00		-3.00	

95 Operating Reserves For New Facilities

Provides funding to operate and staff new add-on facilities at Swannanoa Correctional Center for Women, Lanesboro Correctional Institution, Maury Correctional Institution, and Tabor Correctional Institution. These facilities will become operational in 2011 and 2012.

\$5,874,102	R	\$24,196,611	R
\$4,125,898	NR	\$803,389	NR
280.00		340.00	

D. DACDP**96 Reduce DACDP Administration**

Reduces the Division of Alcoholism and Chemical Dependency Programs (DACDP) administration and eliminates six positions.

(\$405,875)	R	(\$405,875)	R
-6.00		-6.00	

Position Number	Title	Total Position Cost
60056812	Dep. Dir. Substance Abuse Serv.	\$127,095
60056814	Personnel Technician	\$ 62,921
60056770	SA Counselor Clinician	\$ 53,124
60056816	Administrative Secretary III	\$ 46,780
60056769	Accounting Technician	\$ 46,736
60056771	Processing Assistant	\$ 36,594
Reduces Lease Savings Projection		\$26,355
Reduces Rent/Lease Motor Vehicles		\$6,270

97 Eliminate DACDP Private Treatment Beds

Eliminates funding for two private contractual providers of minimum custody level treatment beds.

(\$5,233,354)	R	(\$5,233,354)	R
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E. Community Corrections**98 Eliminate Women at Risk**

Eliminates all State funding for the Women at Risk program, a substance abuse treatment program for female probationers mainly serving Buncombe and Henderson counties.

(\$249,375)	R	(\$249,375)	R
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99 Eliminate Summit House

Eliminates all State funding for Summit House, a residential facility for female probationers at risk of revocation and their children. The program accepts women from any part of the State, but operates in Guilford and Mecklenburg counties.

(\$1,052,756)	R	(\$1,052,756)	R
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100 Eliminate Harriet's House

Eliminates all State funding for Harriet's House, a residential facility serving women upon release from prison and their children.

(\$195,937)	R	(\$195,937)	R
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101 Broaden Access to Community Treatment

\$4,138,260 R

\$4,138,260 R

Captures funds currently directed through non-profit pass-throughs and contracts into a fund within the Division of Community Corrections to provide community treatment services through fee-for-service contracts with local providers. The Department shall use money from this fund to continue existing contracts with Mary Frances and Evergreen for one additional month to insure orderly transition of inmates back into the prison system. The Department shall further use money from this fund to continue pass-through funding for Harriet's House, Summit House, and Women at Risk for three additional months to complete services for existing populations and to shut down operations. The Department shall also use up to \$300,000 of this fund to pay the NC Sheriff's Association, Inc. to manage the assignment of misdemeanants held in county jails.

102 Interstate Compact Receipts

(\$125,000) R

(\$125,000) R

Funds the non-personnel operating costs of the Interstate Compact with receipts so the Division of Community Corrections can reduce the appropriations used to fund the Compact. This will have no impact on services. The fee is increasing from \$150 to \$250.

103 Reorganization of Victim Services

(\$201,873) R

(\$201,873) R

Eliminates four victim service positions in the Community Corrections regional offices. The services provided by these positions can be managed within existing resources at the DOC Office of Victim Services.

-4.00

-4.00

104 DCC Reduction in Support Positions

(\$880,727) R

(\$880,727) R

Eliminates 21 positions associated with middle management at the Division of Community Corrections that have become redundant due to district reorganization.

-21.00

-21.00

105 Eliminate DCC Personnel Tech Positions

(\$156,215) R

(\$156,215) R

Eliminates the Personnel Technician position at each of the four Community Corrections division offices.

-4.00

-4.00

106 Outsource Electronic Monitoring

(\$475,331) R

(\$475,331) R

Eliminates positions in the Community Corrections Technology Center overseeing offenders on house arrest with electronic monitoring. The service will be provided through a lower-cost contract with the provider of the monitoring equipment. The contract shall include monitoring services for the Department of Juvenile Justice and Delinquency Prevention to maximize cost savings.

-11.00

-11.00

107 Consolidate DCC Drug Lab Functions

(\$345,043) R

(\$345,043) R

Closes at least three Community Corrections drug labs.
 Developments in the products for drug testing have reduced
 the need for labs.

-8.00

-8.00

(S.L. 2011-391, Budget Technical Corrections, amends this
 item to close at least three labs, instead of closing four
 labs.)

Total Legislative Changes

(\$71,332,902) R

(\$59,302,927) R

(\$12,495,520) NR

(\$11,153,612) NR

Total Position Changes

-499.00

-439.00

Revised Budget

\$1,337,816,346

\$1,348,410,793

Special Provisions

2011 Session: HB 22

Department: Correction

Section: 42.1

Title: **BUDGET CHANGE: PROHIBIT CLOSURE OF BLADEN CORRECTIONAL CENTER**

Summary: Directs the Department of Correction not to close the Bladen Correctional Center in the 2011-13 biennium.

Section: 65

Title: **TECHNICAL CHANGE: JPS/DOC/INCREASE INTERSTATE COMPACT FEE**

Summary: Amends S.L. 2011-145, Appropriations Act of 2011, Section 31.25 by correcting the title of the provision.

2011 Session: HB 200

Department: Correction

Section: 18.1

Title: **FEDERAL GRANT REPORTING**

Summary: Directs all Justice and Public Safety agencies to report by May 1 of each year to the Joint Legislative Commission on Governmental Operations on federal grant funds received or preapproved for receipt.

Section: 18.2

Title: **FEDERAL GRANT MATCHING FUNDS**

Summary: Authorizes the DOC to utilize up to \$1.2 million in available funds to match federal grants.

Section: 18.3

Title: **USE OF CLOSED PRISON FACILITIES**

Summary: Sets out guidelines for handling property and facilities after a prison is closed. Prior to disposition of the property and buildings, DOC shall consult with the county or municipality in which the unit is located, with the elected State and local officials, and with State and federal agencies about the possibility of converting that unit to other use. The provision also requires giving priority to other criminal justice use.

Section: 18.4

Title: **LIMIT USE OF OPERATIONAL FUNDS**

Summary: Limits DOC from establishing new positions until 120 days prior to completing prison construction, with the exception of critical startup positions. These critical positions may not exceed 20% of the total estimated number of positions.

Section: 18.5

Title: **REIMBURSE COUNTIES FOR HOUSING AND EXTRAORDINARY MEDICAL COSTS FOR INMATES, PAROLEES, AND POST-RELEASE SUPERVISEES AWAITING TRANSFER TO STATE PRISON SYSTEM**

Summary: Permits DOC to use funds available to reimburse counties for housing inmates awaiting transfer to prison and requires quarterly reports on the expenditure of funds.

Section: 18.6

Title: **CENTER FOR COMMUNITY TRANSITIONS/CONTRACT AND REPORT**

Summary: Allows DOC to continue contracting with the Center for Community Transitions for the purchase of prison beds for minimum custody female inmates. The Center shall report by February 1 of each year to the Joint Legislative Commission on Governmental Operations on the annual cost per inmate and the average daily population.

Section: 18.7

Title: **PAROLE ELIGIBILITY REPORT/MUTUAL AGREEMENT PAROLE PROGRAM/MEDICAL RELEASE PROGRAM**

Summary: Directs the Post-Release Supervision and Parole Commission, with assistance from the Sentencing and Policy Advisory Commission and DOC, to analyze the amount of time each inmate who is eligible for parole on or before July 1, 2012, has served compared with offenders sentenced under Structured Sentencing.

In addition, DOC and the Parole Commission shall report by March 1 each year to the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety and to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee on the number of inmates enrolled in the mutual agreement parole program, the number completing the program, the number being paroled, and the number terminated from the program.

The Department and Commission shall also report by March 1 of each year to the Chairs of the House and Senate Appropriations Subcommittees on Justice and Public Safety and to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee on the number of inmates proposed for release, considered for release, and granted release under the medical release of inmates who are permanently and totally disabled, terminally ill, or geriatric.

Section: 18.8

Title: **CRIMINAL JUSTICE PARTNERSHIP**

Summary: Allows counties to use their Criminal Justice Partnership Program (CJPP) funds to provide more than one type of program. The provision directs DOC to recalculate the county allocation formula and allows the Department to reallocate unspent or unclaimed funds to other counties. In addition, the provision requires an annual CJPP report by March 1 to the Chairs of the House and Senate Appropriations Committees, the Chairs of the House and Senate Subcommittees on Justice and Public Safety and to the Joint Legislative Committee on Corrections, Crime Control and Juvenile Justice Committee.

Section: 18.9

Title: **SWANNANOA CORRECTIONAL CENTER FOR WOMEN**

Summary: Directs DOC to relocate the fence at the Swannanoa Correctional Center for Women so that the school building is located on the Department's side of the fence and maintains the sight and sound barrier between the adults and juveniles housed on the campus.

Section: 18.10

Title: **INMATE MEDICAL COST CONTAINMENT**

Summary: Directs DOC to reimburse medical providers and facilities the lesser amount of 70% of billed charges or two times the then-current Medicaid rate.

The provision directs the Department to make every effort to limit inmates' admission to any individual hospital to no more than 9% of all inmates requiring hospitalization in FY 2011-12, and to no more than 5% of all inmates requiring hospitalization in FY 2012-13.

In addition, the Department shall report to the Joint Legislative Commission on Governmental Operations by November 1, 2011, and quarterly thereafter on the volume of services provided by community medical providers that can be scheduled in advance, the volume that cannot be scheduled in advance and the percentages of those services that are provided by contracted providers and non-contracted providers.

(S.L. 2011-391, Section 42.1, Budget Technical Corrections, amends this item to remove treating inmates as a condition of hospital licensure).

Section: 18.12

Title: **DEPARTMENT OF CORRECTION RULES FOR INMATE LABOR**

Summary: Directs DOC to establish rules, standards, and procedures for inmate labor services contracts with local government entities interested in contracting for inmate labor.

Section: 18.13

Title: **REPORT ON THE PROBATION AND PAROLE CASELOADS**

Summary: Directs DOC to report by March 1 of each year to the Chairs of the House and Senate Subcommittees on Justice and Public Safety on probation and parole caseload data.

Section: 18.14

Title: **REMOVE SUNSET ON CORRECTION ENTERPRISES STATE AND LOCAL EMPLOYEE/RETIREE PURCHASE ALLOWANCE**

Summary: Removes the sunset date in S.L. 2007-280, Section 6, Correction Enterprises, and establishes a new effective date for a provision that allows State and local government employees to purchase items from Correction Enterprises.

2011 Session: HB 335

Department: Correction

Section: 1.2

Title: **MAINTENANCE OF PRISONS**

Summary: Directs the Department of Public Safety to study the potential benefits and costs of contracting for private maintenance at prison facilities and to report its findings to the 2013 Session of the General Assembly. It also directs the Department not to expand its current maintenance contracts unless authorized by the 2013 General Assembly.

Crime Control and Public Safety

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$34,175,427		\$34,175,427	
Legislative Changes				
A. Department-wide				
108 Janitorial Services	(\$47,794)	R	(\$47,794)	R
Reduces the line item for janitorial services throughout the Department to more accurately reflect actual expenditures.				
109 Waste Removal Services	(\$64,411)	R	(\$64,411)	R
Reduces the line item for waste removal services throughout the Department to more accurately reflect actual expenditures.				
110 Utilities			(\$56,103)	R
Reduces the line item for utilities throughout the Department in the second year of the biennium.				
B. Administration				
111 Criminal Justice Information Network (CJIN)	(\$154,423)	R	(\$154,423)	R
Transfers two positions assigned to provide support for CJIN to ITS. The following positions are transferred:				
	-2.00		-2.00	
Position	Total			
Number Title	Position Cost			
60084100 Admin. Assistant II	\$ 50,559			
60084125 CJIN Director	\$103,864			

(S.L. 2011-391, Budget Technical Corrections, amends this item to reflect a transfer of positions rather than an elimination of positions. A related item appears in the Information Technology section of the Committee Report. See page N-3, Criminal Justice Information Network.)

112 Consolidation Reduction

(\$620,241)	R	(\$1,240,482)	R
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Eliminates executive level positions as a result of consolidation of the Departments of Juvenile Justice and Delinquency Prevention, Crime Control and Public Safety, and Correction. Position eliminations are effective December 31, 2011. The following positions are eliminated in CCPS:

-11.00		-11.00	
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Position Number	Title	Total Position Cost
60084098	Secretary	\$146,310
60084129	Chief Operating Officer	\$136,740
60084134	Assistant Secretary	\$131,349
60084686	Deputy Secretary	\$133,225
60084138	Controller	\$122,290
60084158	Dir. of Human Resources	\$119,565
60084127	Director of IT	\$131,028
60084159	Leg. Affairs Program Mgr.	\$ 87,747
60084130	Special Assistant to the Sec.	\$103,608
60084132	Administrative Assistant	\$ 68,473
60084133	Administrative Assistant	\$ 60,147

(S.L. 2011-145, Sec.19.1)

C. National Guard**113 Reorganization of National Guard Support**

(\$200,000)	R	(\$200,000)	R
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Reduces staffing costs in the Adjutant General's Office.

D. Butner Public Safety**114 Butner Public Safety (BPS)**

(\$1,422,700)	R	(\$1,527,432)	R
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Increases the receipts for Butner Public Safety. The Department will contract with the Town of Butner to provide fire and police service to the Town and to the Butner Fire and Police District. Receipts that were previously directed through the General Fund will now go directly to the Department for the support of BPS. The appropriation for BPS is also reduced by 10% in the first year and 15% in the second year. (H.B. 864; S.L. 2011-145, Sec. 19.3)

(S.L. 2011-260, Butner Fire and Police District Modifications, creates a Butner Public Safety Authority. Funds appropriated in this Act for Butner Public Safety will now be paid to the Authority according to the terms of a contract between the State and the Authority.)

F. State Capitol Police**115 Reorganize State Capitol Police**

(\$2,267,303)	R	(\$2,267,303)	R
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Reorganizes State Capitol Police to focus on security in and around State-owned buildings in Wake County.

-40.00		-40.00	
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G. Alcohol Law Enforcement**116 ALE Administration**

	(\$1,064,210)	R	(\$1,064,210)	R
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Eliminates five positions in Alcohol Law Enforcement administration. Increases Lottery receipts by \$200,000 and makes other reductions to operating costs.

-5.00

-5.00

H. Division of Emergency Management**117 Shift Positions to Receipt Support**

	(\$539,974)	R	(\$539,974)	R
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Makes 16 positions in the Division of Emergency Management 50% receipt supported.

-8.00

-8.00

J. Law Enforcement Support Services**118 General Fund Appropriation for LESS**

	(\$203,257)	R	(\$203,257)	R
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Eliminates the General Fund appropriation for LESS and transfers the evidence and DNA storage warehouse to the NC Crime Lab. The Secretary of the Department shall appoint a designee to coordinate the surplus federal property and first-responder purchasing programs for local law enforcement agencies. The following positions are eliminated:

-5.00

-5.00

Position Number	Title	Total Position Cost
60084103	Director LESS	\$95,410
65011786	Processing Assistant V	\$37,553
65011787	Processing Assistant V	\$37,553
65011788	Processing Assistant V	\$37,553
65011789	Processing Assistant V	\$37,553

(S.L. 2011-145, Secs.19.1(bb) and (cc))

K. Highway Patrol**119 Highway Patrol**

	\$196,849,542	R	\$188,209,049	R
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Appropriates funds for the Highway Patrol in a new fund code in Budget Code 14900. In previous years, the budget for the Highway Patrol has been budgeted directly from the Highway Fund. Beginning in FY 2011-12, funds will be transferred from the Highway Fund to the General Fund for the support of the Highway Patrol. Reductions to the Highway Patrol's budget for FY 2011-13 have been itemized in the Transportation section of the Committee Report. Non-Highway Fund receipts collected by the Highway Patrol will also be budgeted in the new fund code.

2368.50

2368.50

(Several related items appear in the Transportation Section of the Committee Report. See page K-8, Items 56-61.)

L. Department of Public Safety**120 Consolidation Reserve**

\$818,139	R	\$1,563,124	R
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Creates 13 new positions for the new Department of Public Safety. These positions are effective January 1, 2012, except for the secretary position, which is effective October 1, 2011. The following positions are created:

13.00	13.00
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Title	FTE	Total Position Cost
Secretary	1.0	\$146,310
Administrative Assistant	2.0	\$130,620
Controller	1.0	\$136,947
Chief Financial Officer	1.0	\$118,364
Dir. of Human Resources	1.0	\$136,387
Director of IT	1.0	\$157,100
Public Information Officer	1.0	\$ 87,771
Legislative Liaison	1.0	\$ 97,686
Chief Deputy Secretary	3.0	\$416,071
Deputy Secretary	1.0	\$135,870

(S.L. 2011-145, Sec.19.1)

121 Anticipated Consolidation Savings

(\$1,417,693)	R
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Creates a reserve for savings that will be realized as a result of consolidation of the Departments of Juvenile Justice and Delinquency Prevention, Crime Control and Public Safety, and Correction. Savings are anticipated from bulk purchasing, the merger of regional offices in the Law Enforcement Division, and the elimination of duplicative administrative positions identified by the new Department. These savings will be taken from the consolidated budget for the Department of Public Safety, and are not limited to funds currently appropriated to the Department of Crime Control and Public Safety. (S.L. 2011-145, Sec.19.1)

Total Legislative Changes

\$191,083,368	R	\$180,989,091	R
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Total Position Changes

2310.50	2310.50
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Revised Budget

\$225,258,795	\$215,164,518
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Highway Patrol

Budget Code: 24960

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$0	\$0
Recommended Budget		
Requirements	\$221,219,607	\$221,219,607
Receipts	\$221,190,127	\$221,190,127
Positions	2,384.50	2,384.50

Legislative Changes**Requirements:****Transfer SHP Funds to General Fund Support**

Transfers the budget for the Highway Patrol from Budget Code 24960 to a new fund code in Budget Code 14900 – Crime Control and Public Safety. A corresponding item in the Justice and Public Safety section of the Committee report appropriates funds from the General Fund to the Highway Patrol.

(\$221,219,607) R	(\$221,219,607) R
\$0 NR	\$0 NR
-2,384.50	-2,384.50

Subtotal Legislative Changes

(\$221,219,607) R	(\$221,219,607) R
\$0 NR	\$0 NR
-2,384.50	-2,384.50

Receipts:**Transfer Highway Fund Receipts**

Transfers Highway Fund receipts for the Highway Patrol to General Fund availability. The Transportation section of the Committee Report reduces the transfer for the Highway Patrol by \$21 million. The total amount transferred to General Fund availability will be \$196,849,542 in FY 2011-12 and \$188,209,049 in FY 2012-13.

(\$217,567,328) R	(\$217,567,328) R
\$0 NR	\$0 NR

Transfer Highway Patrol Receipts

Transfers non-Highway Fund Highway Patrol receipts to a new fund code in Budget Code 14900 – Crime Control and Public Safety.

(\$3,622,799) R	(\$3,622,799) R
\$0 NR	\$0 NR

Subcommittee on Justice and Public Safety

	FY 2011-12	FY 2012-13
Subtotal Legislative Changes	(\$221,190,127) R	(\$221,190,127) R
	\$0 NR	\$0 NR
<hr/>		
Revised Total Requirements	\$0	\$0
Revised Total Receipts	\$0	\$0
Change in Fund Balance	\$0	\$0
Total Positions	0.00	0.00
<hr/>		
Unappropriated Balance Remaining	\$0	\$0

Special Provisions

2011 Session: HB 22

Department: Crime Control and Public Safety

Section: 43

Title: **TECHNICAL CHANGE: CONSOLIDATION OF AGENCIES**

Summary: Makes technical and conforming corrections to Section 19.1 of S.L. 2011-145, Appropriations Act of 2011.

Section: 44

Title: **BUDGET CHANGE: CONSOLIDATION - AVOIDANCE OF UNNECESSARY EXPENSE**

Summary: Amends S.L. 2011-145, Sec. 19.1, Appropriations Act of 2011, by adding a new subsection that allows ALE to continue to be recognized as the Alcohol Law Enforcement Division for all legal purposes, and states that all former departments which become divisions under this act should continue to use stationary and other items containing the former name of the division or section in order to avoid unnecessary expense.

2011 Session: HB 200

Department: Crime Control and Public Safety

Section: 19.1

Title: **CONSOLIDATE THE DEPARTMENT OF CORRECTION, THE DEPARTMENT OF CRIME CONTROL AND PUBLIC SAFETY, AND THE DEPARTMENT OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION INTO THE DEPARTMENT OF PUBLIC SAFETY**

Summary: Consolidates the Departments of Correction, Crime Control and Public Safety, and Juvenile Justice and Delinquency Prevention into one agency called the Department of Public Safety (DPS). The new agency will consist of three divisions, each headed by a Chief Deputy:

1. Law Enforcement Division consisting of the Highway Patrol, Alcohol Law Enforcement (ALE), Butner Public Safety, and the State Capitol Police;
2. Correction Division consisting of the current Divisions of Prisons, Community Corrections, and Correction Enterprises;
3. Juvenile Justice Division consisting of the current Divisions of Detention, YDCs, Community Programs, Court Services, and Education and Treatment.

In addition, there will be an Administration Division, headed by a Deputy Secretary, that will house all administrative functions for the agency, including facilities management, budget, purchasing, and human resources.

The National Guard and the former Division of Emergency Management will report directly to the new Secretary of DPS. The Civil Air Patrol will be housed within Emergency Management.

Subsection (a) creates the new Department and transfer the functions, powers, duties, and obligations of the three agencies into the new Department by Type I transfer.

Subsection (b) establishes the authority, powers, and duties of the new Department in G.S. 143B, Article 5A.

Subsections (c) through (bb2) and (dd) through (hhh) make statutory and conforming changes to statutes related to the three agencies.

Subsection (cc) transfers the evidence storage warehouse formerly operated by the Law Enforcement Support Services (LESS) Division of CCPS to the State Bureau of Investigation.

Subsection (hhh1) allows the Secretary of DPS, subject to the approval of the Office of State Budget and Management (OSBM), to reclassify or eliminate existing administrative positions as needed for the efficient operation of the Department.

Subsection (hhh2) directs DPS to merge the regional offices of the Highway Patrol and ALE by July 1, 2012. The Department shall report to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee on the merger by March 1, 2012.

Subsection (hhh3) allows ALE to continue to be recognized as the Alcohol Law Enforcement Division for all legal purposes, and states that all former departments which become divisions under this act should continue to use stationary and other items containing the former name of the division or section in order to avoid unnecessary expense.

Subsection (iii) requires OSBM, in consultation with DJJDP, CCPS, and DOC, to provide an interim report on the consolidation by October 1, 2011, and a final report by January 15, 2012, to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee.

Subsection (jjj) makes the consolidation effective January 1, 2012.

(S.L. 2011-391, Sec.43, Budget Technical Corrections, makes technical changes to this provision. S.L. 2011-391, Sec. 44, Budget Technical Corrections, amends this provision to add subsection (hhh3).)

Section: 19.2

Title: **CONSOLIDATE BUDGET CODES FOR DEPARTMENT OF PUBLIC SAFETY**

Summary: Requires the Office of State Budget and Management and the Office of the State Controller, in consultation with the Fiscal Research Division, to consolidate the budget codes for CCPS, DJJDP, and DOC into one budget code by July 1, 2012.

Section: 19.3

Title: **MODIFY THE REMITTANCE OF TAXES BASED ON VALUATION OF PROPERTY IN THE BUTNER FIRE AND POLICE PROTECTION DISTRICT**

Summary: Repeals a State law that required the Town of Butner to remit property taxes collected from its fire district to the General Fund. Subsection (b) rewrites G.S. 122C-408(c) to require the Town and the Department of Crime Control and Public Safety to contract for public safety services provided to the Town by the Butner Public Safety Division.

(S.L. 2011-260, Butner Fire and Police District Modifications, creates a Butner Public Safety Authority. Funds appropriated in this Act for Butner Public Safety will now be paid to the authority according to the terms of a contract between the State and the Authority.)

Section: 19.4

Title: **REPORTS ON LAW ENFORCEMENT ACCREDITATION SERVICES**

Summary: Requires the Highway Patrol, ALE, the State Capitol Police, and the State Bureau of Investigation to report on any national associations that provide accreditation services for them. The report is due by March 1, 2012 to the Chairs of the Senate and House Appropriations Subcommittees on Justice and Public Safety and to the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee, and the Fiscal Research Division.

Section: 19.5

Title: **STUDY THE FEASIBILITY OF ASSESSING A FEE FOR PROVIDING TRAFFIC CONTROL BY THE STATE HIGHWAY PATROL AT SPECIAL EVENTS**

Summary: Directs the Joint Legislative Corrections, Crime Control, and Juvenile Justice Oversight Committee to study the feasibility of assessing a fee for services provided by the Highway Patrol for certain special events. The Committee shall report to the 2012 General Assembly no later than June 1, 2012.

**GENERAL
GOVERNMENT
Section J**

Administration

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$69,700,026		\$69,700,026	
Legislative Changes				
1111 Office of the Secretary				
1 Consolidate Environmental Clearing House Function	(\$74,144)	R	(\$74,144)	R
Eliminates Environmental Clearing House Function and position (Community Development Specialist 660013846) and benefits.	-1.00		-1.00	
1121 Fiscal Management				
2 Increase Receipt Support for Positions	(\$188,907)	R	(\$188,907)	R
Increases receipt support for the following positions within Fiscal Management (60014119, 60014102, 60014118, 60014100, 60014112, 60014114, 60014107).	-2.44		-2.44	
1122 Human Resources				
3 Reduce Operating Costs	(\$116,612)	R	(\$116,612)	R
Reduces operating accounts within the Human Resources Office.				
1123 Historically Underutilized Businesses				
4 Program Reduction	(\$81,820)	R	(\$81,820)	R
Eliminates salary (\$65,074) and benefits of one filled position: 60014897.	-1.00		-1.00	
1241 Management Information Systems				
5 Move Position to Receipts Support	(\$83,455)	R	(\$83,455)	R
Moves a State Construction Office related position (Business and Technology Applications Analyst 60014137) to receipts support.	-0.85		-0.85	
(S.L. 2011-145, Sec. 20.4)				

1264 Agency for Public Telecommunications**6 Transfer Agency for Public Telecommunications to Receipt Support**

(\$617,497) R

(\$617,497) R

Requires the APT division to become fully receipt supported. In addition to operating costs, the following positions will be receipt supported:

-7.71

-7.71

Executive Director (60014546)

Administrative Assistant II (60014548)

Television Engineer III (60014554)

Television Producer/Director III (60014564)

Television Producer Director II (60014556)

Television Producer Director III (60014555)

Administrative Officer III (60014547)

(S.L. 2011-145, Sec. 20.1)

1311 Office of State Personnel**7 Eliminate Positions and Reduce Operating Expenses**

(\$1,159,596)	R	(\$1,159,596)	R
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Eliminates salaries and benefits of 8.25 vacant and 6 filled positions, and transfers .27 position to receipts; and reduces operating expenses.

-14.52

-14.52

Vacant Positions

60013785 HR Consultant	(\$65,000)
60013823 HR Consultant	(\$65,000)
60013793 HR Consultant	(\$65,124)
60013838 HR Associate	(\$46,335)
60013764 Adm. Support	(\$31,889)
60013777 Division Director	(\$91,500)
60013742 Division Director	(\$57,010) - .50 FTE
65012021 HR Partner	(\$40,250) - .75 FTE
60013784 HR Consultant	(\$50,932)

531211 SPA Reg Salary (\$513,040)

531511 Soc Sec (\$39,248)

531521 Retirement (\$47,910)

531561 Medical (\$39,440)

SUBTOTAL Vacant Positions (\$639,638)

Filled Positions

60013804 HR Partner Per. Officer	(\$68,303)
60013744 HR Associate	(\$47,432)
60013790 HR Manager	(\$97,353)
60013782 Associate Position	(\$38,851)
60013798 Partner Position	(\$70,046)
60013836 Adm. Support Assoc	(\$26,208)
60013818 HR Manager	(\$28,300) - .27 FTE

531211 SPA Reg Salary (\$376,493)

531511 Soc Sec (\$ 28,802)

531521 Retirement (\$ 36,780)

531561 Medical (\$ 27,100)

SUBTOTAL Filled/Receipted Pos (\$469,175)

Operating Expenses

532140 Data Processing (\$3,404)

532150 Academic Services (\$1,500)

532700 Travel(\$1,500)

532930 Registration Fees (\$5,000)

535830 Member Dues & Subs (\$5,000)

536905 OJT Incentive Program (\$10,000)

5328XX IT Costs (\$24,379)

SUBTOTAL Operating Expenses (\$50,783)

8 Human Resources Development

Provides \$1.5 million to support the Learning Management System, which is a component of a comprehensive Human Capital Management (HCM) System. Funds from the NCFlex FICA Fund will be used to support the program components. The Office of State Controller will transfer funds from the NCFlex FICA Fund to the Office of State Personnel.

Administration

(S.L. 2011-145, Sec. 20.5A)

1411 State Construction**9 Move Positions to Receipt Support**

(\$750,012) R (\$750,012) R

Uses a portion of the 5% Contingency Reserve for all capital projects under the State Construction Office's control to fund nine positions. The positions are as follows:

-9.00 -9.00

60014589 Mechanical Engineer

60014582 Engineer

60014588 Engineer

60014614 Engineer

60014580 Engineer

60014608 Construction Contracts Administrator

60014700 Control System Technician

60014590 Engineer

60089475 Engineer

(S.L. 2011-145, Sec. 20.4)

1412 State Property**10 Consolidate Position**

(\$89,028) R (\$89,028) R

Consolidates Plan Review position with Code Review. One Management Engineer III position (60014636) and benefits will be eliminated.

-1.00 -1.00

11 Move Positions to Receipt Support

(\$66,047) R (\$66,047) R

Increases support from the Land Fund for a portion of four positions:

-1.07 -1.07

60014639 Real Property Agent II

60014635 Real Property Manager

60014637 Real Property Agent III

60014640 Real Property Agent III

1421 Building Reserves**12 Fund Building Reserve for the Department of Health and Human Services**

\$1,473,580 R \$3,377,710 R

Funds the Public Health Lab and Office of the Medical Examiner Building that will come online during FY 2011-12.

1421 Facilities Management**13 Eliminate Positions in Facility Management**

(\$544,533)	R	(\$544,533)	R
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Eliminates the following positions in the Facilities Management division. The positions are as follows:

-10.75	-10.75
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60014761 Facilities Maintenance Tech.
 60014822 Building and Environmental Tech.
 60014824 Building and Environmental Tech.
 60014737 Plasterer
 65011759 Facilities Maintenance Tech.
 65011754 Building and Environmental Tech.
 65011755 Building and Environmental Supervisor
 60014721 Housekeeping Contract Admin.
 60014784 Housekeeping Procurement Asst.
 60014708 Painter
 60014781 Housekeeping Supervisor

1421 Facility Management**14 Consolidate Position**

(\$41,232)	R	(\$41,232)	R
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Consolidates a position within Pest Control and Greenhouse Management. One position (Facilities Maintenance Tech 60014763) and benefits will be eliminated.

-1.00	-1.00
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15 Move Position to Receipts

(\$51,644)	R	(\$51,644)	R
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Moves a carpenter position (60014730) to receipts support.

-1.00	-1.00
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1511 Purchase and Contract**16 Eliminate Purchase and Contract Positions**

(\$480,268)	R	(\$480,268)	R
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Eliminates seven vacant purchase and contract positions. Positions affected are as follows:

-7.00	-7.00
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State Procurement Specialist III 60013871
 Administrative Assistant III 60013904
 Engineer 60013872
 Auditor 65011990
 State Procurement Specialist 65011994
 Auditor 65011991
 State Procurement Specialist III 65011993

1731 NC Council for Women**17 Program Reduction**

(\$101,839)	R	(\$101,839)	R
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Eliminates regional office and redistributes oversight responsibilities for local grantees.

-2.00	-2.00
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1732 Displaced Homemakers Program**18 Program Reduction**

(\$15,247)	R	(\$15,247)	R
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Reduces appropriation for Displaced Homemakers grant funding and administrative costs by 5%. The remaining appropriation for Displaced Homemakers is \$289,700 each year.

1734 Rape Crisis Program**19 Program Reduction**

(\$151,120)	R	(\$151,120)	R
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Reduces appropriation for Sexual Assault grant funding and administrative costs by 5%, which provides an appropriation of \$2,871,270 each year.

1742 Martin Luther King Commission**20 Eliminate Grant Funding**

(\$42,465)	R	(\$42,465)	R
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Eliminates funding for the grants managed by the Commission.

1761 Youth Advocacy & Involvement Office**21 Personnel Adjustment and Operations Reduction**

(\$322,702)	R	(\$322,702)	R
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Reduces the program with the elimination of salaries and benefits of three vacant and two filled positions (\$277,750) and reduces funds for operations (\$44,952).

-5.00		-5.00	
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Vacant Positions:

60014505 Advocacy Specialist II/Assistant Director (\$53,879)

60014504 Advocacy Specialist (\$40,624)

60014063 Administrative Officer II (\$39,078)

Filled Positions

60014503 Advocacy Specialist (\$39,190)

60014507 Advocacy Specialist (\$41,429)

1771 Veterans Affairs - Administration**22 Program Reduction**

(\$562,135)	R	(\$562,135)	R
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Reduces the appropriation by realigning the budget to more closely reflect actual expenditures, and leaves \$73,545 in the account. Eliminates salary and benefits of one filled position:

-1.00		-1.00	
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#60014249 Technology Support Analyst

531211 SPA Reg Salary (\$48,415)

531511 Soc Sec (\$ 3,704)

531521 Retirement (\$ 5,088)

531561 Medical (\$ 4,930)

23 Reduces Program Funding

(\$50,000)	R	(\$50,000)	R
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Reduces funding for the Aid to Counties Program.

1810 State Ethics Commission**24 Adjust Personnel and Reduce Operating Budget**

(\$219,519)	R	(\$219,519)	R
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Eliminates salaries and benefits of a vacant Program Assistant V position at \$33,582, and an Attorney II position at \$85,241 that is filled. Additionally reduces IT Services.

-2.00		-2.00	
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Vacant Position

60088569 Program Assistant V (\$33,582)

531211 SPA Reg Salary (\$33,582)

531511 Soc Sec (\$2,569)

531521 Retirement (\$3,529)

531561 Medical (\$4,930)

Subtotal Vacant Position (\$44,610)

Filled Position

65012031 Attorney II (\$85,241)

531211 SPA Reg Salary (\$ 85,241)

531511 Soc Sec (\$ 6,521)

531521 Retirement (\$ 8,959)

531561 Medical (\$ 4,930)

Subtotal Vacant Position (\$105,651)

Operating Budget Reductions

532140 IT Services (\$64,408)

IT 5% Reduction (\$ 4,850)

Subtotal Operating Budget (\$72,479)

2401 E-Commerce Reserve**25 Reduce E-Commerce Reserve**

Reduces the E-Commerce Reserve by eliminating SL. 2010-31, Sec. 6.19 for the purchase of \$1,000,0000 in Smart Cards and \$3,483,526 in funds to be used in FY 2012 for E-Procurement system upgrades for a total reduction of \$4,483,526. Funds in the Reserve may be used for E-Procurement Contracts in effect on May 1, 2011. Funds are being transferred to General Fund availability.

Department-wide**26 Eliminate Vacant Positions**

(\$793,948)	R	(\$793,948)	R
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Eliminates up to 15.50 vacant positions and associated benefits at the Department of Administration that have been vacant for more than 100 days.

-15.50		-15.50	
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27 Reduce Payments to ITS

(\$58,871)	R	(\$58,871)	R
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Reduce payments to ITS by 5% (532800).

Department-wide**28 Reduce Longevity and Fringe Benefits to Actual**

Reduces Longevity and Fringe Benefits to actual.

(\$62,022) R

(\$62,022) R

Total Legislative Changes

(\$5,251,083) R

(\$3,346,953) R

Total Position Changes

-83.84

-83.84

Revised Budget

\$64,448,943

\$66,353,073

Special Provisions

2010 Session: HB 22

Department: Administration

Section 45

Title: **DEPARTMENT OF ADMINISTRATION**

Summary Repeals Section 20.1A of S.L. 2011-145 and cancels a Type I transfer of the Human Relations Commission to the Office of Administrative Hearings. The study report date is changed to May 1, 2012.

Special Provisions

2010 Session: HB 200

Department: Administration

Section 20.1

Title: **STATE ENTITIES TO USE AGENCY FOR PUBLIC TELECOMMUNICATIONS**

Summary Requires that all agencies, departments, and institutions use the Agency for Public Telecommunications (APT) for media placement and the creation of media to be placed. APT may give an exemption to this requirement. This requirement does not apply to the University of North Carolina system and the Community College system.

Section 20.1A

Title: **TRANSFER OF NC HUMAN RELATIONS COMMISSION FROM DEPARTMENT OF ADMINISTRATION TO OFFICE OF ADMINISTRATIVE HEARINGS**

Summary Authorizes a Type I transfer of the Human Relations Commission to the Office of Administrative Hearings.

(S.L. 2011-391, Sec. 45, Budget Technical Corrections, repeals the provision.)

Section 20.2

Title: **STUDY BY THE LEGISLATIVE RESEARCH COMMISSION OF THE DUTIES AND SERVICES OF THE NORTH CAROLINA HUMAN RELATIONS COMMISSION AND THE CIVIL RIGHTS DIVISION OF THE OFFICE OF ADMINISTRATIVE HEARINGS**

Summary Requires the Legislative Research Commission to study the duties and services of the Human Relations Commission and the Civil Rights Division of the Office of Administrative Hearings to determine if there is unnecessary overlap and duplication of services and to recommend the placement of the Commission in an appropriate agency to the 2013 General Assembly.

Section 20.3

Title: **DOMESTIC VIOLENCE CENTER FUNDS**

Summary Directs the Department to award grants in compliance with GS 50B-9, specifically to all grantees eligible in a county that were in operation by the preceding July 1.

Section 20.4

Title: **USE OF CAPITAL PROJECT CONTINGENCY FUNDS TO INCREASE THE SPEED AND EFFICIENCY OF THE STATE CONSTRUCTION OFFICE**

Summary Requires that all contingency funds for projects that the State Construction Office has review authority over be deposited in a reserve administered by the Office of State Budget and Management. Entities must consult with the Director of the Budget and the State Construction Office to receive funds from the contingency reserve. Up to \$875,000 of the total amount of funding will be allocated to the Department of Administration to be used to support the staffing needs of the Office of State Construction related to design and plan review, building code compliance, inspection, and other related duties.

Section 20.5

Title: **OFFICE OF STATE PERSONNEL/STUDY CENTRALIZED HUMAN RESOURCES FOR COUNCIL OF STATE OFFICES**

Summary Directs the Office of State Personnel (OSP) and Office of State Budget & Management (OSBM) to study to feasibility of transferring human resources management functions to OSP, and to report information to the General Assembly by the convening of the 2012 Session.

Section 20.5A

Title: **HUMAN RESOURCES DEVELOPMENT**

Summary Authorizes the use of NCFlex FICA Funds to implement the Learning Management System.

Section 20.7

Title: **ELIMINATE FUNDING FOR DEVELOPMENT OF SMART CARDS**

Summary Notwithstanding Section 6.19 of S.L. 2010-31 to cancel a \$1 million expenditure from the E-Commerce Reserve to develop smart cards.

Auditor

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$13,063,656		\$13,063,656	
Legislative Changes				
1110 - Administration				
29 Reduce Payments to ITS	(\$41,992)	R	(\$41,992)	R
Reduces IT payments to reflect a reduction in Community College and UNC Audits (532800) (S.L. 2011-145, Sec. 8.15 and 9.16)				
1210 Field Audit Division				
30 Reduce Audits at Community Colleges and University of North Carolina	(\$329,461)	R	(\$1,511,000)	R
Reduces the number of audits at the North Carolina Community College System (NCCCS) campuses to the statutory minimum of once every five years. The University of North Carolina (UNC) will receive a fiscal control audit every three years. Both UNC and NCCCS campuses will be allowed to use State appropriated funds for private audits as necessary and may contract with the Office of State Auditor for such services. In FY 2011-12, four positions will be eliminated. In FY 2012-13, it is the intention for positions related to UNC and NCCCS audits to become receipt supported. The four positions with associated benefits for elimination are as follows:				
60008883 Adm. Support Spec. (\$58,496)				
60008950 Assistant State Auditor (\$96,274)				
60008961 Assistant State Auditor (\$84,096)				
60008811 Assistant State Auditor (\$90,595)				
(S.L. 2011-145, Sec. 8.15 and 9.16)				
1210 Field Audit Division				
31 Reduce Performance Audit Division	(\$771,994)	R	(\$771,994)	R
Reduces half of the Performance Audit Division and transfers funding for up to 5 positions to the Program Evaluation Division at the North Carolina General Assembly.				
	-9.00		-9.00	
1210 Field Office Division				
32 Lease Reduction	(\$62,635)	R	(\$62,635)	R
Eliminates leases in Asheville, Charlotte, Fayetteville, Edenton, and Greensboro.				

Total Legislative Changes	(\$1,206,082)	R	(\$2,387,621)	R
Total Position Changes	-13.00		-26.00	
Revised Budget	\$11,857,574		\$10,676,035	

Special Provisions

2010 Session: **HB 200**

Department: Auditor

Section

Title: **No Special Provisions**

Summary

Cultural Resources

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$72,664,633		\$72,664,633	
Legislative Changes				
1110 Office of the Secretary				
33 Personnel Adjustment	(\$194,721)	R	(\$194,721)	R
Eliminates salaries and benefits of three vacant positions - 2 in the Cultural Heritage Tourism Program and a Personnel Analyst III.	-3.00		-3.00	
Vacant Positions				
60083263 Deputy HR Director (\$65,451)				
65011686 Multi-Cultural and Development Officer (\$38,174)				
65011687 Community Development Director (\$48,654)				
531211 SPA Reg Salary (\$152,279)				
531511 Soc Sec (\$ 11,650)				
531521 Retirement (\$ 16,005)				
531561 Medical (\$ 14,787)				
1230 Archives & Records				
34 Personnel Adjustment	(\$59,541)	R	(\$59,541)	R
Eliminates salary and benefits of a vacant position: 60083352 (Local Records Supervisor).	-1.00		-1.00	
531211 SPA Reg Salary (\$46,219)				
531511 Soc Sec (\$3,535)				
531521 Retirement (\$4,858)				
531561 Medical (\$4,929)				
35 Personnel Adjustment	(\$191,368)	R	(\$191,368)	R
Transfers four positions to Archives and Records Management (ARM) receipts.	-4.00		-4.00	
#60083376 - Processing Assistant IV				
#60083348 - Accounting Technician				
#60083346 - Archives and Records Professional				
#60083353 - Archives and Records Professional				
531211 SPA Reg Salary (\$145,271)				
531511 Soc Sec (\$11,113)				
531521 Retirement (\$15,268)				
531561 Medical (\$19,716)				

1241 State Historic Sites**36 Transfer Functions and Positions to Receipts**

(\$576,258)

R

(\$1,152,515)

R

Transfers the Transportation Museum to 50% receipts-support
in FY 2011-12 and total receipts-support in FY 2012-13.

-8.00

-20.50

FY 2011-12

#60083524 Electrician II

#60083520 Museum Specialist

#60083528 Carpenter II

#60083521 Historic interpreter II

#60083530 Historic interpreter II

#60083533 Security Guard

#60083529 & #60083536 Building Environmental Technician

531211 SPA Reg Salary (\$228,999)

531511 Soc Sec (\$ 17,518)

531521 Retirement (\$ 24,068)

531561 Medical (\$ 39,432)

532188 Lawn & Garden Service Agreement (\$40,262)

532199 Misc Contractual Service (\$43,642)

532210 Enrg Ser - Electrical (\$62,338)

532220 Enrg Ser - Nat Gas/ Propane (\$26,742)

532230 Enrg Ser - Water & Sewer (\$8,123)

532331 Repairs - Motor Vehicles(\$195)

532333 Repairs - Other Equip (\$ 18,460)

532390 Repairs- Other (\$40,262)

532430 Maint - Equip (\$3,292)

532490 Maint Agreement - Other (\$385)

532714 Transp - Grnd -In state (\$6,825)

532811 Telephone Service (\$5,708)

532840 Postage, Freight, Delivery (\$3,241)

532911 Property - Insurance (\$3,335)

532919 Other Insurance (\$235)

532942 Other Emp Educ Expense (\$40)

533320 Diesel Fuel (\$860)

533900 Other Materials & Supplies (\$2,060)

535830 Membership, Dues, & Subscrip (\$236)

TOTAL FY 2011-12 (\$576,258)

FY 2012-13

#60083531 NC Transportation History Museum Director

#60083522 Facility Maintenance Supervisor III

#60083527 Maintenance Mechanic V

#60083524 Electrician II

#60083523 and #60083525 Historic Sites Manager II

#60083520 Museum Specialist

#60083519 Information & Communication Specialist I

#60083528 Carpenter II

#60083535 Office Assistant IV

#60083526 and #60083534 Historic Interpreter III

#60083521 and #60083530 Historic interpreter II

#60083529 and #60083536 Building Environmental Technician

#60083532 and #60083533 Security Guard

#60083404 Historic Sites Specialist I

531211 SPA Reg Salary (\$662,320)
 531511 Soc Sec (\$50,667)
 531521 Retirement (\$69,610)
 531561 Medical (\$101,045)
 532188 Lawn & Garden Service Agreement (\$40,262)
 532199 Misc Contractual Service (\$43,642)
 532210 Enrg Ser - Electrical (\$62,338)
 532220 Enrg Ser - Nat Gas/ Propane (\$26,742)
 532230 Enrg Ser - Water & Sewer (\$8,123)
 532331 Repairs - Motor Vehicles (\$195)
 532333 Repairs - Other Equip (\$18,460)
 532390 Repairs- Other (\$40,262)
 532430 Maint - Equip (\$3,292)
 532490 Maint Agreement - Other (\$385)
 532714 Transp - Grnd -In state (\$6,825)
 532811 Telephone Serv (\$5,708)
 532840 Postage, Freight, Delivery (\$3,241)
 532911 Property - Insurance (\$3,335)
 532919 Other Insurance (\$235)
 532942 Other Emp Educ Expense (\$40)
 533320 Diesel Fuel (\$860)
 533900 Other Materials & Supplies (\$4,692)
 535830 Membership, Dues, & Subscrip (\$236)
 Total FY 2012-13 (\$1,152,515)

(S.L. 2011-145, Sec. 21.1)

1242 Tryon Palace

37 Transfers Positions to Receipts-support

(\$375,075) R (\$375,075) R

Transfers the historic site's maintenance program to receipts-support.

-10.00

-10.00

#60083572 Painter
 #60083563 Carpenter II
 #65011462 and 60083559 Maintenance Mechanic IV
 #60083568, 60083571, 65011458, 65011459, and 60083567
 Building Environmental Technicians
 #65011430 Assistant Special Events Coordinator

531211 SPA Reg Salary (\$275,715)
 531511 Soc Sec (\$21,092)
 531521 Retirement (\$28,978)
 531561 Medical (\$49,290)

38 Changes to Historic Site's Funding

(\$346,951) R (\$1,693,902) R

Reduces remaining operating budget each year.

(S.L. 2011-145, Sec. 21.3)

(S.L. 2011-391, Sec. 47, Budget Technical Corrections, repeals S.L. 2011-145, Sec. 21.3.)

1245 NC Maritime Museum**39 Transfer to Receipts-support**

(\$59,265)	R	(\$59,265)	R
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Transfers support for the Cape Lookout Studies Program and .75 FTE of position to receipts available from private partnership funds.

-0.75		-0.75	
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#60083652 Natural Science Curator

531211 SPA Reg Salary (\$31,834)
 531511 Soc Sec (\$2,435)
 531521 Retirement (\$3,346)
 531561 Medical (\$3,697)
 532199 Misc Contractual Serv (\$7,500)
 532333 Repairs- Other Equip (\$863)
 532714 Transp - Grnd, In State (\$1,500)
 532715 Transp - Grnd, Out State, In U.S. (\$225)
 532721 Lodging - In State (\$1,275)
 532724 Meals- In State (\$1,013)
 532930 Registration Fees (\$750)
 533110 General Office Supplies (\$375)
 533720 Educ Supplies (\$137)
 534539 Other Equip (\$4,315)

1247 Office of State Archaeology**40 Program Reductions**

(\$171,242)	R	(\$171,242)	R
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Suspends the operations of the Archaeology Laboratory and Curation Facility and eliminates salaries and benefits of 3.24 filled positions:

-3.24		-3.24	
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#60083679 Archaeological Technician (\$27,544)
 #60090495 Archaeologist I (\$41,100)
 #60083676 Archaeologist II (\$54,341)
 #60083688 Archaeological Technician (\$6.972) - (.24 FTE)

531211 SPA Reg Salary (\$129,957)
 531461 Longevity (\$2,446)
 531511 Soc Sec (\$10,129)
 531521 Retirement (\$13,916)
 531561 Medical (\$14,790)

Operating Budget Reductions
 53XXXX (\$5)

1250 Historic Preservation Office**41 Transfer to Receipts-support**

(\$71,106) R

(\$71,106) R

Transfers 1.5 positions to federal grant receipts.

-1.50

-1.50

#60083622 Office Assistant III

#60083629 Historic Preservation/Restoration Specialist I
(.5FTE)

531211 SPA Reg Salary (\$53,921)

531511 Soc Sec (\$ 4,124)

531521 Retirement (\$ 5,667)

531561 Medical (\$ 7,394)

1320 Museum of Art**42 Operating Reductions**

(\$471,601)	R	(\$673,925)	R
-------------	---	-------------	---

Reorganizes and consolidates Museum of Art operations by eliminating salaries and benefits of three vacant positions and 7.25 filled positions; and transfers .25 position to receipts-support.

-10.50

-10.50

Vacant Positions

SPA

#65011450 Maintenance Mechanic II (\$27,544)

#60083791 Office Assistant III (\$34,319)

EPA

#65011451 Art Museum Curator (\$50,400)

SUBTOTAL Vacant Positions (\$112,263)

Filled Positions

#60083795 Security Guard (\$24,861)

#65005187 Security Guard (\$24,861)

#60083773 Processing Assistant III (\$8,119) - (.25 FTE)

#60083774 Processing Assistant III (\$34,319)

#60083772 Program Assistant IV (\$29,783)

#60083754 Processing Assistant IV (\$31,389)

#65005027 Art Handler (\$32,411)

#60083769 Library Technician (\$36,378)

SUBTOTAL Filled Positions (\$222,121)

Receipts-support Position

#60090505 Associate Director (\$15,412) - (.25 FTE)

531111 EPA- Reg Salaries- Approp (\$ 65,812)

531211 SPA- Reg Salaries- Approp (\$283,984)

531511 Soc Sec (\$26,759)

535121 Retirement (\$36,764)

531561 Medical (\$50,333)

Operating Budget Reduction

FY 11-12

53XXXX (\$7,750)

FY 12-13

53XXXX (\$210,074)

1330 NC Arts Council**43 Grant Program Reduction**

(\$581,000)	R	(\$581,000)	R
-------------	---	-------------	---

Reduces funding for the Basic Grants Program, which provides \$3,292,320 for each year of the 2011-2013 Biennium.

44 Operating Reductions

(\$140,408)	R	(\$140,408)	R
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Eliminates 1.75 vacant positions and 1 filled position by reassigning duties and consolidating grant categories.

-2.75

-2.75

Vacant Positions

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#60083908 Arts Development Consultant (\$40,856)
 #60083931 Information & Communication Specialist I (.75 FTE)
 (\$27,734)

Filled Position

#60083927 Information & Communication Specialist II (\$38,767)

531211 SPA- Reg Salaries- Appropr (\$107,357)

531511 Soc Sec (\$8,213)

535121 Retirement (\$11,283)

531561 Medical (\$13,555)

45 Grant Program Reduction

(\$406,537) R (\$406,537) R

Reduces funding for Grassroots Arts Program which provides
 \$2,303,708 for each year of the 2011-2013 Biennium.

46 Eliminate Non-Competitive Funding

(\$40,957) R (\$40,957) R

Eliminates funding for the Vagabond School of Drama.

47 Reduce Non-Competitive Funding

(\$50,000) R (\$50,000) R

Reduces funding for the Lost Colony.

48 Eliminate Non-Competitive Funding

(\$218,957) R (\$218,957) R

Eliminates funding for the Shakespeare Festival.

1340 NC Symphony

49 Reduce Grant Funding

(\$217,310) R (\$217,310) R

Reduces grant funding for statewide concerts by 10%.

1410 State Library Services**50 Personnel Adjustment**

(\$499,423)

R

(\$499,423)

R

Consolidates and eliminates two layers of management in the State Library of NC. Transfers a position to federal receipts.

-9.00

-9.00

Filled Positions

#60083815 Office Assistant V (\$36,434)

#60083867 Library Technician (\$32,029)

#60083850 Library Technician (\$32,758)

#60083853 Library Technician (\$28,327)

#60083861 Processing Assistant IV (\$35,575)

Vacant Positions

60083822 Assistant State Librarian (\$58,701)

#60083844 Library Supervisor (\$54,692)

#60083904 Office Assistant III (\$26,646)

Transferred to Federal Receipts Position

#60083901 Library Professional (\$79,963)

531211 SPA Reg Salary (\$385,125)

531511 Soc Sec (\$ 29,460)

531521 Retirement (\$ 40,477)

531561 Medical (\$ 44,361)

1480 Statewide Programs & Grants**51 Program Reduction**

(\$1,980,543)

R

(\$1,980,543)

R

Reduces State-Aid to local libraries by 13%.

1500 Museum of History**52 Program Reductions**

(\$383,505)	R	(\$585,829)	R
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Reorganizes and consolidates the museum and its regional branches in the areas of administration, program, and operating functions. Eliminates salaries and benefits of 5 vacant positions and 4 filled positions in FY 2011-12 and 6 vacant and 7 filled positions in FY 2012-13; and reduces operating budget.

-9.00

-13.00

Vacant Positions

#60083949 Art Handler (\$25,705)

#60083990 Curator of Furnishings & Decorative Arts (\$42,860)

#60083981 Library Professional (\$40,000)

#60084030 Museum Specialist (\$33,229)

#60084043 Security Guard (\$24,861)

#60083995 Museum Curator (\$44,265)

Filled Positions

#60083942 Public Information Assistant IV (\$27,615)

#60083957 Public Information Assistant III (\$32,258)

#60084027 Museum Specialist (\$32,796)

#60084035 Process Assistant IV (\$27,615)

#60083956 Registrar (\$44,086)

#60084008 Office Assistant (\$28,611)

#60084028 Education Coordinator (\$35,965)

531211 SPA Reg Salary (\$439,966)

531511 Soc Sec (\$33,657)

531521 Retirement (\$46,240)

531561 Medical (\$64,090)

Operating Budget Reduction

FY 12-13

53XXXX (\$1,875)

53 Reduce Operating Budget

(\$335,997)	R	(\$335,997)	R
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Eliminates salaries and benefits of 1 vacant and 7.25 filled positions and reduces operating expenses of the Museum of the Cape Fear.

-8.25

-8.25

Vacant Position

#60084056 Security Guard (\$26,220)

Filled Positions

#60084055 Museum Specialist (\$32,796)

#60084057 Historical Interpreter I (\$24,861)

#60084051 Assoc. Museum Curator (\$40,105)

#60084053 Bldg. Envir Tech. (\$25,718)

#60084059 Historic Interpreter (\$27,056)

#60084048 Museum Specialist (\$38,824)

#60084050 Administrative Asst. (\$8,278) - (.25 FTE)

#60084053 Bldg and Engineer Tech (\$25,718)

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531211 SPA Reg Salary (\$249,576)
531511 Soc Sec (\$19,093)
531521 Retirement (\$26,230)
531561 Medical (\$39,440)

Operating Expense Reduction
53XXXX (\$1,658)

Department-wide**54 Personnel Reductions**

	(\$1,212,827)	R	(\$1,212,827)	R
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Eliminates salaries and benefits of 8.51 additional positions vacant 6 months or more since January 1, 2011; and 18 positions vacant 100 or more days since March 31, 2011.

-26.51

-26.51

Positions vacant for 6 months or more

#60083367 Archives & Records Professional (\$1)

#60083486 Office Assistant IV (\$30,417)

#65010790 Transportation Coordinator (\$29,502)

#60083569 Horticulture/grounds Technician (.38 FTE) (\$1,329)

#65010906 Administrative Officer III (\$41,173)

#65010907 Media Technician I (\$25,705)

#60083505 Historic Interpreter I (\$24,861)

#60090511 Museum Curator (\$38,174)

#60090513 Museum Specialist (\$32,796)

#60090514 Museum Exhibit Designer (.13 FTE) (\$6,626)

531211 SPA Reg Salary (\$230,584)

531511 Soc Sec (\$17,640)

531521 Retirement (\$24,234)

531561 Medical (\$41,954)

Positions vacant for 100 or more days

#60080925 Heritage Tourism Officer (\$38,543)

#65011681 Maritime Heritage Tourism Officer (\$35,337)

#65011682 Heritage Tourism Officer (\$35,337)

#65011683 Heritage Tourism Officer (\$35,337)

#65011684 Heritage Tourism Officer (\$35,337)

#65011685 Regional Development Officer (\$38,174)

#60083349 Office Assistant IV (\$29,656)

#60090501 Records Management Analyst (\$37,000)

#60083465 Historic Sites Specialist II (\$50,000)

#60083470 Historic Site Assistant (\$25,355)

#60083585 Museum Specialist (\$39,162)

#65011433 Assistant Conservator (\$27,942)

#60083562 Exhibit Designer (\$35,498)

#65010801 Utility Worker Supervisor (\$27,380)

#65011464 Section Gardener (\$26,584)

#65011455 Museum Exhibits Assistant (\$29,502)

#65011424 Processing Assistant III (\$24,092)

#60083256 Deputy Secretary (\$115,000)

531211 SPA Reg Salary (\$685,236)

531511 Soc Sec (\$52,421)

531521 Retirement (\$72,018)

531561 Medical (\$88,740)

(S.L. 2011-391, Sec. 21.5, Budget Technical Corrections, authorizes the Department to restore the Historic Sites Specialist II position, #60083465, at Fort Dobbs.)

55 IT Reduction

	(\$55,184)	R	(\$55,184)	R
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Reduces IT by 5%.

Cultural Resources

Total Legislative Changes	(\$8,639,776)	R	(\$10,967,632)	R
Total Position Changes	-97.50		-114.00	
Revised Budget	\$64,024,857		\$61,697,001	

Special Provisions

2010 Session: HB 22

Department: Cultural Resources

Section 21.5

Title: **RESTORE POSITION AT FORT DOBBS**

Summary Allows the Department to use appropriated funds to fully restore Historic Sites Specialist II position, #60083465, at Fort Dobbs.

Section 47

Title: **BUDGET CHANGE: TRYON PALACE FUNDING**

Summary Repeals S.L. 2011-145, Sec. 21.3.

Special Provisions

2010 Session: HB 200

Department: Cultural Resources

Section 21.1

Title: **TRANSPORTATION MUSEUM SPECIAL FUND**

Summary Establishes a special interest bearing, non-reverting enterprise fund in the Department's budget that the museum may use to pay costs related to operation and maintenance. The provision also places \$300,000 in an emergency reserve for use by the site.

Section 21.3

Title: **TRYON PALACE FUNDING**

Summary Directs that no State funding will be used to support the historic site beginning with FY 2014-15, and that the Department submit a report by May 1, 2012 to the General Assembly on how the site will become financially self-sufficient.

(S.L. 2011-391, Sec. 47, Budget Technical Corrections, repeals this provision.)

Cultural Resources - Roanoke Island Commission

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$2,406,982		\$2,406,982	
Legislative Changes				
1584 Roanoke Island Commission				
56 Changes to Commission Funding	(\$601,746)	R	(\$1,203,491)	R
Reduces General Fund appropriation by 25% in FY 2011-12 and 50% in FY 2012-13 with an additional 25% reduction to the appropriation through FY 2014-15 and the Commission becoming self-supporting by FY 2015-16.				
(S.L. 2011-145, Sec. 21.2)				
(S.L. 2011-391, Sec. 46, Budget Technical Corrections, amends S.L. 2011-145, Sec. 21.2 to follow incremental reductions to the budget each fiscal year through FY 2014-15.)				
Total Legislative Changes	(\$601,746)	R	(\$1,203,491)	R
Total Position Changes				
Revised Budget	\$1,805,236		\$1,203,491	

Special Provisions

2010 Session: HB 22

Department: Cultural Resources - Roanoke Island Commission

Section 46

Title: TECHNICAL CHANGE: ROANOKE ISLAND COMMISSION FUNDING/HISTORIC ROANOKE ISLAND FUND

Summary Amends S.L. 2011-145, Sec. 21.2 (a) to follow incremental reductions to the budget each fiscal year through FY 2014-15.

Special Provisions

2010 Session: HB 200

Department: Cultural Resources - Roanoke Island Commission

Section 21.2

Title: ROANOKE ISLAND COMMISSION FUNDING/HISTORIC ROANOKE ISLAND FUND

Summary Assures the Commission will be self-supporting by allowing use of Endowment Fund, continued acceptance of gifts, donations, etc. Also directs the Friends of Elizabeth II to use unencumbered funds for operation of the Commission. Establishes a Historical Roanoke Island Fund as a non-reverting enterprise.

(S.L. 2011-391, Sec. 46, Budget Technical Corrections, amends subsection (a) of this provision to follow incremental reductions to the budget each fiscal year through FY 2014-15.)

General Assembly

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$54,593,047		\$54,593,047	
Legislative Changes				
1213 Research Division				
57 Transfer of General Statutes Commission	\$270,341	R	\$270,341	R
Provides funding for positions and operations of the General Statutes Commission that is transferred from the Department of Justice.	3.00		3.00	
1215 Building & Maintenance				
58 Reduce Division Budget and Personnel	(\$292,980)	R	(\$212,565)	R
Reduces appropriations by funding Building & Maintenance Repairs from Carryforward Reserve each year. Additionally, eliminates salaries and benefits of 3.4 positions in FY 2012-13.			-3.40	
59 Continuation Review of Building & Maintenance Division	(\$2,572,506)	R	(\$2,572,506)	R
Conducts a Continuation Review of facility services in the General Assembly during the 2011-12 Interim. The budget for the division, minus reductions authorized for FY 2012-13, is included as non-recurring, pending the findings and recommendations that will be reported to the 2012 Session.	\$2,572,506	NR		-31.60
1216 Food Service				
60 Reduce Operating Budget	(\$103,648)	R	(\$210,348)	R
Increases prices in the cafeteria and snack bars by 10%. Additionally, eliminates salaries and benefits of 3.75 positions in FY 2012-13.			-3.75	
1217 Information Systems Division				
61 Various Reductions to Operations	(\$2,653,145)	R	(\$2,114,555)	R
Reduces the operating accounts in ISD and uses Carryforward Reserve to support non-personnel costs and 2 Temporary Time-Limited positions to work with Redistricting.				
1219 Program Evaluation Division				
62 Expand Division Staff	\$345,000	R	\$345,000	R
Expands staff in the Program Evaluation Division with the transfer of funding from the Performance Audit Division in the State Auditor's Office to support up to 5 positions.	5.00		5.00	

1900 Committees & Other Reserves**63 Reduction to Reserves**

(\$888,527)	R	(\$636,435)	R
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Reduces funding in the Reserves of Committees, Studies, and Contingencies (537195).

Department-wide**64 Various Reductions to Operating Budget**

(\$1,214,662)	R	(\$442,957)	R
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Reduces the budget each year in the following areas:

Reduces the number of interim days budgeted for Legislative Assistants from 3.5 days to 3 days during the first year of the biennium. Both years will be budgeted at 3.0 days during the interim with a reduction of \$691,223.

Eliminates funding budgeted for the purchase of furniture (desk, chairs, tables & bookshelves) with a reduction of \$55,000 in FY 2011-12 and \$40,000 in FY 2012-13.

Reduces funding for staff travel which includes travel reimbursements, registration fees and education reimbursement. However, funding is maintained for staff in the Program Evaluation Division and Fiscal Research Division to pursue studies and conduct routine visits to state agencies and facilities. The budget is reduced \$84,250 in FY 2011-12 and \$94,250 in FY 2012-13.

Reduces some discretionary contracts and budgeted supplies within the Building & Maintenance and Food Services Sections with a reduction of \$57,773 in FY 2011-12 and \$81,810 in FY 2012-13.

Reduces NCSL annual dues by 20% with a reduction of \$51,097 each year.

Reduces appropriations by funding the Legislative Library Learning Resources and subscriptions from Carryforward Reserve with a reduction of \$188,000 in FY 2011-12 and \$175,800 in FY 2012-13.

Reduces Carryforward Reserve by \$87,319 in FY 11-12.

65 Personnel Adjustments

(\$1,883,250)	R	(\$1,914,814)	R
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Eliminates salaries and benefits of 17 vacant permanent positions of which 2 are frozen from FY 2010-11 with a reduction of \$1,033,504 each year. Also, eliminates salaries and benefits for 47 temporary positions of which 27 are frozen from FY 2010-11 at a reduction of \$849,746 in FY 2011-12 and \$881,310 in FY 2012-13.

-17.00		-17.00	
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66 Reserve Funds

Appropriates funds for reserve to support security upgrades.

\$3,000,000	NR
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FY 11-12**FY 12-13****67 Reserve for Information Technology Study**

Provides funding for the General Assembly to conduct a comprehensive, two-year evaluation of information technology operations throughout State government.

\$2,000,000 NR

\$3,000,000 NR

Total Legislative Changes**(\$8,993,377)** R**(\$7,488,839)** R**\$7,572,506** NR**\$3,000,000** NR**Total Position Changes**

-9.00

-47.75

Revised Budget**\$53,172,176****\$50,104,208**

Special Provisions

2010 Session: HB 22

Department: General Assembly

Section 48

Title: **TECHNICAL CHANGE: ACCOMMODATING FEDERAL LAW FLEXIBILITY**

Summary Amends S.L. 2011-145, Sec. 22.3 to change the statutory reference to GS 120-30.9B.

Special Provisions

2010 Session: HB 200

Department: General Assembly

Section 22.1

Title: **PED STUDYING ADMINISTRATION OF STATE ATTRACTIONS**

Summary Directs the General Assembly's Program Evaluation Division (PED) to study and review State operations considered attractions that include State Historic Sites, Museums, State Parks, Aquariums, and the North Carolina Zoo. As part of the study, PED is directed to review all sources of revenue, including admission fees, donations, and concession sales. PED is also directed to review daily visitation trends to determine optimal operating schedules.

Section 22.3

Title: **ACCOMMODATING FEDERAL LAW FLEXIBILITY**

Summary Amends GS 120-30.9B (b) to allow the Legislative Services Commission to appoint someone other than the Attorney General to handle redistricting submissions and someone other than the Executive Director of the State Board of Elections to handle other election law submissions.

(S.L. 2011-391, Sec. 48, Budget Technical Corrections, amends this provision to change the statutory reference to GS 120-30.9B.)

Section 22.4

Title: **CLIENT DECISIONS**

Summary Amends GS 147-17 to set forth the duty of the Special Counsel.

Section 22.5

Title: **CONFORMING CHANGE**

Summary Amends GS 120-32.6 to indicate that GS 147-17(a) through (c) shall not apply to the General Assembly.

Governor

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$6,189,478		\$6,189,478	
Legislative Changes				
Department-wide				
68 Reductions to Office of the Governor	(\$1,448,321)	R	(\$1,448,321)	R
Requires the Governor's Office to reduce the operating budget \$1,448,321 each year.				
Total Legislative Changes	(\$1,448,321)	R	(\$1,448,321)	R
Total Position Changes				
Revised Budget	\$4,741,157		\$4,741,157	

Special Provisions

2010 Session: **HB 200**

Department: Governor

Section

Title: **No Special Provisions**

Summary

Housing Finance Agency

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$13,877,996		\$13,877,996	
Legislative Changes				
8102 Housing Finance Agency				
69 Program Reduction	(\$2,123,245)	R	(\$2,123,245)	R
Reduces funding for the Housing Trust Fund.				
8104 Home Protection Program				
70 Program Reduction	(\$2,081,700)	R	(\$2,081,700)	R
Reduces funding for the Home Protection Program.				
Total Legislative Changes	(\$4,204,945)	R	(\$4,204,945)	R
Total Position Changes				
Revised Budget	\$9,673,051		\$9,673,051	

Special Provisions

2010 Session: **HB 200**

Department: Housing Finance Agency

Section 1

Title: **S.L. 2011-288 (H.B. 484) TRANSFER EMERGENCY FORECLOSURE PROGRAM TO HFA**

Summary Transfers the State Home Foreclosure Program and funds from the Office of the Commissioner of Banks to the Housing Finance Agency. Allows the Office of the Commissioner of Banks to establish and maintain offices subject to the approval of the Banking Commission.

Section

Title: **No Special Provisions**

Summary

Insurance

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$33,458,756		\$33,458,756	
Legislative Changes				
1110 Administration				
71 Reduce Expenditures	(\$25,221)	R	(\$25,221)	R
Reduces various expenditure accounts in the division to more closely match actual costs.				
532199 Misc Contractual Svs	(\$15,957)			
532814 Cellular Phone Svs	(\$ 4,346)			
532942 Other Employees Ed Expense	(\$ 4,918)			
1200 Company Services Group				
72 Reduce Expenditures	(\$50,688)	R	(\$50,688)	R
Reduces various expenditure accounts in the division to more closely match actual costs.				
532814 Cellular Phone Svs	(\$ 119)			
532942 Other Employees Ed Expense	(\$50,569)			
1300 Technical Services Group				
73 Reduce Employee Education Expense	(\$11,589)	R	(\$11,589)	R
Reduces expenditures each fiscal year in 532942 - Employee Education Expense.				
1400 Public Services				
74 Reduce Cellular Phone Service	(\$2,200)	R	(\$2,200)	R
Reduces expenditures each fiscal year in 532814 - Cellular Phone Service.				
1500 Office of State Fire Marshal				
75 Adjust Expenditures	(\$356,265)	R	(\$356,265)	R
Reduces expenditures for cellular phone service and eliminates funding for the sale of Code Books as the sale of Code Books is transferred to the publisher.				
532814 Cellular Phone Svs	(\$ 23,315)			
532850 Print, Bind, & Duplication	(\$330,000)			
532942 Other Employees Ed Expense	(\$ 2,950)			

1500 Office State Fire Marshal**76 Transfer of Fire Protection Grant Fund**

\$3,677,513	R	\$3,677,513	R
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Transfers the Fire Protection Grant Fund from the Office of State Budget and Management to the Department of Insurance.

(S.L. 201-145, Sec. 23.2.)

Department-wide**77 Eliminate Vacant Positions and Reduce Expenditure Accounts**

(\$139,612)	R	(\$139,612)	R
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Eliminates salaries and benefits of 3 vacant positions.

-3.00		-3.00	
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Vacant Positions

60013339 Processing Assistant III (\$28,490)

60013607 Office Assistant IV (\$25,705)

65004532 Insurance Company Examiner (\$51,443)

531211 SPA Reg Salary (\$105,638)

531511 Soc Sec (\$8,081)

531521 Retirement (\$11,103)

531561 Medical (\$14,790)

78 Reduction to Consumer Protection Services Fund

(\$156,773)	R	(\$156,773)	R
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Reduces transfer to Consumer Protection Services Fund to more closely match actual expenditures.

531111 Salaries (\$38,473)

531511 Social Security (\$2,943)

531521 Retirement (\$4,044)

532110 Legal Services (\$111,313)

Total Legislative Changes

\$2,935,165	R	\$2,935,165	R
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Total Position Changes

-3.00		-3.00	
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Revised Budget

\$36,393,921		\$36,393,921	
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Special Provisions

2010 Session: HB 22

Department: Insurance

Section 49

Title: **DEPARTMENT OF INSURANCE AFFORDABLE CARE ACT**

Summary States that the intent of the General Assembly is to establish and operate a State-based health benefits Exchange that meets the requirements of the federal Patient Protection and Affordable Care Act. The Departments of Health and Human Services and Insurance may collaborate and plan implementation of the Exchange.

Special Provisions

2010 Session: HB 200

Department: Insurance

Section 23.1

Title: **PERMISSABLE USE OF INSURANCE REGULATORY FUND**

Summary Directs that the Department shall only expend funds from the Insurance Regulatory Fund for the purpose of reimbursing the General Fund for appropriations from the General Fund to the Department.

Section 23.2

Title: **NO BUDGET REDUCTION FOR CERTAIN STATE FIRE PROTECTION GRANT FUND RECIPIENTS**

Summary Directs that volunteer fire departments that receive grants of less than \$1,000 will not be subject to reduction in the 2011-2013 Biennium.

Insurance - Volunteer Safety Workers' Compensation Fund

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$4,500,000		\$4,500,000	
Legislative Changes				
1900 Reserves & transfers				
79 Reduce Volunteer Safety Workers' Compensation Fund	(\$706,000)	R	(\$1,876,346)	R
Reduces funding for the Volunteer Safety Workers' Compensation Fund.	(\$1,500,000)	NR		
Total Legislative Changes	(\$706,000)	R	(\$1,876,346)	R
	(\$1,500,000)	NR		
Total Position Changes				
Revised Budget	\$2,294,000		\$2,623,654	

Special Provisions

2010 Session: **HB 200**

Department: Insurance - Volunteer Safety Workers' Compensation Fund

Section

Title: **No Special Provisions**

Summary

Lieutenant Governor

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$954,868		\$954,868	
Legislative Changes				
1110 Administration				
80 Management Flexibility Reserve	(\$105,000)	R	(\$191,398)	R
Requires the Lt. Governor's Office to reduce the operating budget of the office by \$105,000 the first year of the biennium and \$191,398 the second.				
81 Reduce Operating Expenses	(\$7,093)	R	(\$8,014)	R
Reduces the following operating expense accounts and allows the Lt. Governor to retain a cellular phone for first fiscal year:				
FY 2011-12				
532814 Cellular Phones (\$5,829)				
532870 Cable TV (\$689)				
532840 Postage (\$575)				
FY 2012-13				
532814 Cellular Phones (\$6,750)				
532870 Cable TV (\$689)				
532840 Postage (\$575)				
82 Eliminate Vacant Position and Benefits	(\$45,695)	R	(\$45,695)	R
Eliminates Assistant Policy Director Position and benefits (60008622).				
	-1.00		-1.00	
83 Reduce Salary, Benefits, and Longevity to Actual	(\$14,437)	R	(\$14,437)	R
Reduces the following accounts to actual:				
531111 Salaries (\$8,327)				
531511 Social Security (\$67)				
531521 Retirement (\$875)				
531521 Longevity (\$5,168)				
Total Legislative Changes	(\$172,225)	R	(\$259,544)	R
Total Position Changes	-1.00		-1.00	
Revised Budget	\$782,643		\$695,324	

Special Provisions

2010 Session: **HB 200**

Department: Lieutenant Governor

Section

Title: **No Special Provisions**

Summary

Office of Administrative Hearings

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$4,328,822		\$4,328,822	
Legislative Changes				
1100 Administration and Operations				
84 Reduce Payments to ITS	(\$7,612)	R	(\$7,612)	R
Reduces data and communications (532800) by 5%.				
1100 Civil Rights Division				
85 Eliminate Vacant Position	(\$57,710)	R	(\$57,710)	R
Eliminates vacant Civil Rights Investigator Position (60088595) and benefits.				
	-1.00		-1.00	
1100 Hearings Division				
86 Eliminate Administrative Law Judge Position	(\$121,242)	R	(\$121,242)	R
Eliminates one Administrative Law Judge position and benefits.				
	-1.00		-1.00	
Administrative Hearings				
87 Funding from DHHS for Medicaid Mediation				
Transfers \$1 million in General Funds for each year of the biennium from the Department of Health and Human Services (DHHS) to the Office of Administrative Hearings (OAH) for the purpose of providing Medicaid mediation services. OAH shall continue the Memorandum of Agreement with DHHS and provide invoices to DHHS for covered services in order for DHHS to transfer the federal share of funds drawn down for this purpose. (S.L. 2011-145, Sec. 10.40; S.L. 2011-391, Sec. 26, Budget Technical Corrections amended S.L. 2011-145, Sec. 10.40 to specify that the \$1 million transfer from DHHS are General Funds)				
Total Legislative Changes	(\$186,564)	R	(\$186,564)	R
Total Position Changes	-2.00		-2.00	
Revised Budget	\$4,142,258		\$4,142,258	

Special Provisions

2010 Session: **HB 200**

Department: Office of Administrative Hearings

Section 24.1

Title: **ACCESS TO REGISTER AND CODE**

Summary Amends G.S. 150B-21.24 and cancels the free distribution of the North Carolina Register and the Administrative Code.

Revenue

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$88,370,399		\$88,370,399	
Legislative Changes				
1700 Motor Fuels Division				
88 Eliminate Vacant Positions				
Eliminates 15 vacant positions in the Motor Fuels Division funded by the Highway Fund.				
1900 Reserves and Transfers				
89 Remaining Resolution Initiative Funding	(\$760,075)	R	(\$760,075)	R
Reduces the remaining funds appropriated for the Resolution Initiative. The funds were originally appropriated in FY 2010-11.				
Department-wide				
90 Reduce General Fund Supported Operating Expenditures	(\$371,495)	R	(\$371,495)	R
Reduces additional eight positions and associated benefits that are vacant at the Department				
	-8.00		-8.00	
60082603 Processing Assistant IV (\$37,560)				
60081507 Revenue Tax Technician (\$55,395)				
60081800 Processing Assistant III (\$34,306)				
60081505 Information Processing Technician (\$54,583)				
60093429 Processing Assistant IV (\$41,527)				
60082584 Processing Assistant V (\$39,907)				
60081612 Revenue Tax Technician (\$52,675)				
60082692 Information Processing Technician (\$50,861)				
91 Management Flexibility Reserve	(\$124,054)	R	(\$124,054)	R
Requires the Department of Revenue to reduce the operating budget of the Department by 124,054 recurring in such a way that maintains the operations of the Department in Winston-Salem and Rocky Mount.				
92 Eliminate Vacant Positions	(\$3,498,026)	R	(\$3,498,026)	R
Eliminates 61 vacant positions throughout the Department and related benefits. Positions are as follows:				
	-61.00		-61.00	
60081469 Program Assistant V				
60081535 Information Processing Technician				
60081540 Team Leader				
60082951 Processing Assistant V				
60082846 Administrative Officer II				
60082953 Processing Assistant IV				
60082759 Processing Assistant III				

60081588 Processing Assistant III
 60082668 Data Entry Specialist
 60082564 Information Processing Technician
 60081675 Information Processing Technician
 60081494 Information Processing Technician
 60081482 Information Processing Technician
 60082949 Processing Assistant IV
 60081660 Revenue Officer I
 60081781 Law Enforcement Agent
 60082835 Processing Assistant IV
 60082685 Revenue Officer II
 60081633 Processing Assistant IV
 60081597 Processing Assistant III
 60081637 Information Processing Technician
 60082570 Processing Assistant III
 60082756 Processing Assistant III
 60081566 Auditor
 60082502 Processing Assistant III
 60082553 Processing Assistant IV
 60082661 Data Entry Specialist
 60082599 Administrative Officer II
 60082966 Administrative Assistant III
 60081512 Processing Assistant V
 60082682 Data Entry Specialist
 60082569 Processing Assistant IV
 60082758 Processing Assistant IV
 60081520 Processing Assistant III
 60082537 Accounting Manager
 60081779 Law Enforcement Agent
 60081657 Manager
 60081434 Audit Director
 60081748 Revenue Officer I
 60082594 Processing Assistant V
 60083099 Office Assistant V
 60081531 Revenue Officer I
 60081635 Administrative Assistant II
 60081548 Administrative Assistant III
 60081579 Administrative Assistant II
 60081311 ETM Administrator
 60082396 Revenue Administrative Officer
 60082169 Field Auditor SCCI
 60083224 Special Agent
 60082057 Revenue Officer I
 60081837 Interstate Field Officer
 60081337 DTAX/Audit Workbench/Taxmaster Admin
 60081405 ETM Developer
 60081803 Interstate Field Auditor
 60083098 Audit Manager
 60082033 Field Auditor
 60081817 Interstate Field Auditor
 60081399 ETAX/Audit Workbench/Taxmaster Developer
 60082444 Revenue Officer Trainee
 60082440 Revenue Officer
 60082059 Revenue Officer Trainee

93 Convert Collections Positions to Receipt Supported

(\$1,896,157)

R

(\$1,896,157)

R

Revenue

Converts 30 collections positions to receipt support. The source of the receipt is the Collection Assistance Fee.

-30.00

-30.00

Positions numbers are as follows: 60082149, 60082449, 60082041, 60082129, 60082154, 60082165, 60082243, 60082244, 60081863, 60081493, 60081550, 60081747, 60082435, 60082132, 60082136, 60082137, 60082451, 60082445, 60082455, 60082047, 60082053, 60082452, 60082148, 60082162, 60082163, 60082152, 60082176, 60082454, 60082077, 60082081.

94 Reduce Supplemental Wages to FY 2010 Actual

(\$41,887) R

(\$41,887) R

Reduces supplemental wages to FY 2009-10 actual.

531411 - OT Pay (\$39,766)

531421 - Holiday Perm Pay - (\$2,121)

95 Reduce Temporary Wages

(\$1,778,823) R

(\$1,778,823) R

Reduce Temporary Wages and benefits in the following areas:

1600 - Administration (\$5,018)

1603 - Human Resources (\$33,784)

1605 - IT (\$39,922)

1621 - Corporate (\$18,488)

1643 - TPA (316,547)

1660 - Collections (\$286,799)

1670 - USUB (\$14,328)

1681 - Administrative Services (\$97,025)

1685 - DPPD (\$966,912)

96 Reduce Budgeted Longevity

(\$32,459) R

(\$32,459) R

Reduces budgeted longevity (521461).

97 Reduce Payments to ITS

(\$602,867) R

(\$602,867) R

Reduces payments to Information Technology Services by 5% (532800).

Information Technology**98 Imaging System License**

(\$613,440) R

(\$613,440) R

Corrects error, a non-recurring expenditure for an imaging system license was mistakenly coded as recurring in FY 2010-11. This reduction corrects the error.

Local Government Unit**99 Local Government Unit to Receipts**

(\$451,578) R

(\$451,578) R

Moves positions to the Local Government Unit within the Department to receipt support to create a point of contact regarding tax distributions. Over \$200 million per year is distributed to local governments each year. (S.L. 2011-145, Sec. 27.1.(a))

-7.00

-7.00

Total Legislative Changes	(\$10,170,861)	R	(\$10,170,861)	R
Total Position Changes	-106.00		-106.00	
Revised Budget	\$78,199,538		\$78,199,538	

Special Provisions

2010 Session: **HB 200**

Department: Revenue

Section

Title: **No Special Provisions**

Summary

Secretary of State

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$11,076,972		\$11,076,972	
Legislative Changes				
1120 Publications				
100 Reduce Printing Budget	(\$77,268)	R	(\$77,268)	R
Eliminates the printing of the NC Directory of County and State Officials, which is available electronically, and the free distribution of the NC Manual. Budget code affected is 532850.				
1150 Lobbyist Registration				
101 Eliminate Four Positions in Lobbyist Registration	(\$200,791)	R	(\$200,791)	R
Eliminates four positions and benefits in Lobbyist Registration Division.				
	-4.00		-4.00	
60008804 Registrar/Examiner (\$42,295) 60008805 Registrar/Examiner (\$50,469) 65004907 Office Assistant (\$36,176) 60008807 Attorney I (\$71,851)				
Department-wide				
102 Reduce Operating Expenditures and Eliminate Cell Phones	(\$136,290)	R	(\$136,290)	R
Reduces operating expenditures in a variety of accounts and eliminates budget for cellular phones.				
532700 Travel and Other Employee Expense (\$25,423) 532814 Cellular Phone Service (\$9,809) 532900 Other Services (\$7,342) 533100 General And Administrative Supplies (\$26,100) 533900 Other Materials and Supplies 534500 Equipment (\$42,966) 534700 Intangible Assets (\$17,000)				
103 Reduce Payments to ITS	(\$8,060)	R	(\$8,060)	R
Reduces payments to ITS (532800) by 5%.				
Total Legislative Changes	(\$422,409)	R	(\$422,409)	R
Total Position Changes	-4.00		-4.00	
Revised Budget	\$10,654,563		\$10,654,563	

Special Provisions

2010 Session: HB 200

Department: Secretary of State

Section

Title:

Summary

State Board of Elections

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$6,189,011		\$6,189,011	
Legislative Changes				
1100 Administration				
104 Correct Error in Base Budget			(\$60,000)	R
Corrects error, a non-recurring expenditure was miscoded as recurring (532700) related to a move into office space.				
105 Administrative Services	(\$23,000)	R	(\$23,000)	R
Reduces expenditures for workshops and conferences (532181) and administrative services (532170).				
1200 Campaign Reporting				
106 Reduce Administrative Services	(\$45,110)	R	(\$45,110)	R
Reduces Administrative Services (532170).				
1300 Voter Registration and Systems				
107 Eliminate Positions in Voter Registration and Systems	(\$637,706)	R	(\$637,706)	R
Eliminates all 8 District Elections Technicians (\$510,610), Voting Systems Project Manager (60088251 - \$65,191), Technology Support Analyst (65006606 - \$64,010), and associated benefits. (S.L. 2011-145, Sec. 26.1)				
	-10.00		-10.00	
108 Reduce Assigned Vehicles	(\$32,634)	R	(\$32,634)	R
Reduces payments to Motor Fleet Management for vehicles from 8 District Elections Technicians (532700). (S.L. 2011-145, Sec. 26.1)				
Department-wide				
109 ITS Reduction	(\$28,787)	R	(\$28,787)	R
Reduces data and procurement purchases by 5% (532800).				
110 Eliminate Vacant Positions	(\$235,171)	R	(\$235,171)	R
Eliminates four vacant positions and benefits in the State Board of Elections				
	-4.00		-4.00	
65012228 - Elections Investigator				
65005662 - Business Officer				
60088258 - Compliance Specialist				
65012227 - Attorney II				

Total Legislative Changes	(\$1,002,408)	R	(\$1,062,408)	R
Total Position Changes	-14.00		-14.00	
Revised Budget	\$5,186,603		\$5,126,603	

Special Provisions

2010 Session: **HB 200**

Department: State Board of Elections

Section 26.1

Title: **NO EXPENDITURE OF HAVA TITLE II FUNDS FOR STATE FY 2011-2012**

Summary Forbids the State Board of Elections from expending any Help America Vote Act Title II funds for FY 2011-12 and allows the State Board of Elections to retain said funds until such time as Maintenance of Effort funds are appropriated.

Section 26.3

Title: **ALLOWING COUNTY BOARDS OF ELECTIONS TO EMPLOY PERSONNEL TO MAINTAIN VOTING SYSTEMS**

Summary Amends G.S. 163-165.9 and allows county boards of election to employ qualified personnel to maintain voting systems.

State Budget & Management

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$6,963,796		\$6,963,796	
Legislative Changes				
1310 Office of State Budget & Management				
111 Personnel Adjustment and IT Reduction	(\$546,454)	R	(\$546,454)	R
Eliminates 6 vacant positions and reduces salary reserves.				
	-6.00		-6.00	
#60008592 State Budget Management Analyst (\$62,463)				
#60008553 State Budget Management Analyst (\$64,383)				
#60008582 State Budget Management Analyst (\$102,163)				
#60008577 Human Resources Director (\$62,429)				
#60008585 State Budget Management Analyst (\$57,000)				
#60008609 State Budget Management Analyst (\$71,925)				
531211 Salaries (\$420,363)				
531511 Social Security (\$32,158)				
531521 Retirement (\$44,180)				
531561 Medical Insurance (\$29,580)				
531211 Salary Reserves (\$ 6,774)				
Reduces funding for the Information Technology Services by 5% (\$13,399).				
112 Operating Reductions	(\$34,900)	R	(\$34,900)	R
Reduces operating expenses.				
532145 Server Support Services (\$29,100)				
532840 Postage, Freight & Delivery (\$ 3,800)				
534530 Other DP Equipment (\$ 1,500)				
534534 PC/Printer Equipment (\$ 500)				
113 Longevity Reduction	(\$21,867)	R	(\$21,867)	R
Reduces longevity to actual.				
114 Integrated Budget Information System (IBIS) Funding	(\$511,912)	R	(\$511,912)	R
Eliminates funding for the Integrated Budget Information System (IBIS) continuation request for software support, hardware, and databases.				
532199 Miscellaneous Contractual Services (\$250,000)				
532800 Communication & Data Processing (\$261,912)				

Total Legislative Changes	(\$1,115,133)	R	(\$1,115,133)	R
Total Position Changes	-6.00		-6.00	
Revised Budget	\$5,848,663		\$5,848,663	

Special Provisions

2010 Session: **HB 200**

Department: State Budget & Management

Section

Title: **No Special Provisions**

Summary

State Budget and Management - Special

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$5,934,311		\$5,934,311	
Legislative Changes				
1022 Special Appropriations				
115 Humanities Council Grant	(\$43,000)	R	(\$43,000)	R
Reduces funding for NC Humanities Council (536G02).				
1023 Fire Protection Grant Fund				
116 Transfer of Fire Protection Grant Fund	(\$3,677,513)	R	(\$3,677,513)	R
Transfers management of the State Fire Protection Grant Fund to the Department of Insurance from the Office of State Budget and Management. The General Fund appropriation is reduced 10%.				
(S.L. 2011-145, Sec. 25.1)				
1900 Reserves & Transfers				
117 NC Symphony	\$1,500,000	NR		
Provides funding for the NC Symphony to leverage match to support the operation.				
(S.L. 2011-145, Sec. 25.2)				
118 Adjust Funds for Health Care Reform and Board of Elections Software	(\$1,773,186)	R	(\$1,773,186)	R
Eliminates funding (\$1,101,293) and positions each year for DOI Healthcare Reform Reserve (537122). Additionally, reduces budget for non-recurring (\$671,893) expense that was classified as recurring in the 2010 Session for the State Board of Elections Software Purchase (to comply with HB 961).				
	-13.00		-13.00	
Total Legislative Changes	(\$5,493,699)	R	(\$5,493,699)	R
	\$1,500,000	NR		
Total Position Changes	-13.00		-13.00	
Revised Budget	\$1,940,612		\$440,612	

Special Provisions

2010 Session: **HB 200**

Department: State Budget and Management - Special

Section 25.1

Title: **TRANSFER STATE FIRE PROTECTION GRANT FUND**

Summary Amends GS 58-85A-1 to change Office of State Budget and Management to Department of Insurance.

Section 25.2

Title: **NC SYMPHONY FUNDING**

Summary Requires the NC Symphony to raise \$8 million to receive the matching funds. Specifically, it will receive \$500,000 in matching funds for the first \$4 million raised, \$500,000 for the next \$2 million raised and \$500,000 for the final \$2 million raised.

State Controller

GENERAL FUND

	FY 11-12		FY 12-13
Adjusted Continuation Budget	\$32,517,077		\$32,517,077
Legislative Changes			
1000 Department-wide			
119 Eliminate Vacant Positions	(\$1,172,321)	R	(\$1,172,321) R
Eliminates salaries and benefits of 14 vacant positions and reduces IT costs by 5% or \$197,689 each year in expenditure accounts 532800 - Communications/Data Processing.	-14.00		-14.00
Vacant Positions			
60015308 Information Processing Technician	(\$35,697)		
60087149 State Controller Financial Specialist	(\$51,375)		
60087175 Administrative Support Associate	(\$50,831)		
60087196 Bus & Tech Applications Analyst	(\$80,145)		
60090520 State Controller Risk Mitigation Spec	(\$61,274)		
60091131 Information Processing Technician	(\$39,954)		
60091133 Information Processing Technician	(\$29,502)		
60091720 Information Processing Technician	(\$38,792)		
60092194 Administrative Support Specialist	(\$39,400)		
65009029 Business Systems Analyst III	(\$75,000)		
65008979 Staff Development Specialist II	(\$47,791)		
65008981 Staff Development Specialist II	(\$56,667)		
65008996 Business & Technology Applications Spec.	(\$80,000)		
65009030 Bus. Systems Analyst II	(\$80,000)		
531211 SPA Reg Salary	(\$766,428)		
531511 Soc Sec	(\$ 58,632)		
531521 Retirement	(\$ 80,552)		
531561 Medical	(\$ 69,020)		
Subtotal Positions	(\$974,632)		
120 Reduce BEACON Reserve	(\$536,036)	NR	(\$536,036) NR
Reduces funding in BEACON Reserve that leaves a balance of \$2,427,928 that will support operations in Reporting Support, Production Support, Security, and BASIS support for the biennium.			
121 Reduce Account Balance	(\$72,500)	NR	(\$72,500) NR
Reduces General Fund by transferring funding from the unclaimed property account.			
122 Personnel And Operating Budget Reductions to CJLEADS	(\$2,367,263)	R	(\$2,367,263) R
Eliminates salaries and benefits of 4.50 vacant positions and reduces operating budget.	-4.50		-4.50
Vacant Positions			
65011662 Business Systems Analyst III	(\$75,000)		

65011663 Staff Development Specialist II (\$47,791)
 65011667 Staff Development Specialist II (\$56,667)
 65011705 Business & Technology Applications Spec. (\$80,000)
 65011706 Bus. Systems Analyst II (\$80,000)

531211 SPA Reg Salary (\$275,000)
 531511 Soc Sec (\$21,038)
 531521 Retirement (\$28,903)
 531561 Medical (\$22,185)
 SUBTOTAL Positions (\$347,126)

Operating Budget Reductions
 Reduces SAS Customized Services (\$625,000)
 Reduces State Agency Development (\$1,200,000)
 Reduces Other Technology Services (\$192,879)
 Reduces IT by 5% (\$2,262)
 SUBTOTAL Operating Budget Reductions (\$2,620,141)

Total Legislative Changes	(\$3,539,584)	R	(\$3,539,584)	R
	(\$608,536)	NR	(\$608,536)	NR
Total Position Changes	-18.50		-18.50	
Revised Budget	\$28,368,957		\$28,368,957	

Special Provisions

2010 Session: HB 22

Department: State Controller

Section 50

Title: **TECHNICAL CHANGE: OVERPAYMENTS AUDIT**

Summary Amends S.L. 2011-145, Sec. 26A to insert the word "fiscal" to add clarity to the biennium period.

Special Provisions

2010 Session: HB 200

Department: State Controller

Section 26A

Title: **OVERPAYMENTS AUDIT**

Summary For the FY 2011-13 biennium, authorizes tracking of inadvertent overpayments by State agencies and allows the Office of the State Controller to use up to \$500,000 for data processing, debt collection, or e-commerce costs.

(S.L. 2011-391, Sec. 50, Budget Technical Corrections, amends the provision to insert the word "fiscal" to add clarity to the biennium period.)

Treasurer

GENERAL FUND

	FY 11-12		FY 12-13	
Adjusted Continuation Budget	\$10,538,203		\$10,538,203	
Legislative Changes				
1300 Local Government Operations				
123 Integrated Document Management System				
Provides funding for the Integrated Document Management System, which is receipt supported. Requirements total \$160,000 in FY 2011-12 of which \$15,000 is recurring and \$145,000 is non-recurring. The \$15,000 is continued in FY 2012-13.				
1310 Local Government Operations				
124 Convert Division to Receipt Support	(\$3,324,834)	R	(\$3,324,834)	R
Converts the State and Local Government Finance Division to receipt-support. (S.L. 2011-145, Sec. 27.1.(a))	-36.00		-36.00	
Department-wide				
125 Reduced Funding for Personnel and Operations	(\$556,338)	R	(\$591,619)	R
Reduces funding for five positions that were converted to receipt support with a reduction each year of \$526,910. Additionally, reduces Travel & Other Employee Expenses in FY 2011-12 (\$23,624), Financial/Audit Services in FY 2012-13 (\$58,905), and IT by 5% each year (\$5,804).				
Total Legislative Changes	(\$3,881,172)	R	(\$3,916,453)	R
Total Position Changes	-36.00		-36.00	
Revised Budget	\$6,657,031		\$6,621,750	

Special Provisions

2010 Session: **HB 200**

Department: Treasurer

Section 27.1

Title: **LOCAL GOVERNMENT DIVISION**

Summary Amends G.S. 105-501(b) and allows the Local Government Commission at the Department of the State Treasurer and the Local Government Unit at the Department of Revenue to be supported from the sales tax collection that is distributed to local governments. Previously, the State was reimbursed by these funds for its appropriation.

Treasurer - Retirement for Fire and Rescue

GENERAL FUND

	FY 11-12	FY 12-13
Adjusted Continuation Budget	\$17,812,114	\$17,812,114

Legislative Changes

126 NO LEGISLATIVE ACTION REPORTED

Total Legislative Changes

Total Position Changes

Revised Budget	\$17,812,114	\$17,812,114
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Special Provisions

2010 Session: **HB 200**

Department: Treasurer - Retirement for Fire and Rescue

Section

Title: **No Special Provisions**

Summary

TRANSPORTATION

Section K

Highway Fund

HIGHWAY FUND

	FY 11-12		FY 12-13	
Recommended Budget	\$1,806,351,974		\$1,812,408,831	
Legislative Changes				
Administration				
1 General Administration - Cuts	(\$4,507,486)	R	(\$4,507,486)	R
Decreases funds to the General Administration budget. This includes the elimination of seven (7) vacant positions funded through General Administration funds.	-7.00		-7.00	
2 General Administration - Internal Consolidations	(\$1,071,606)	R	(\$1,071,606)	R
Reduces budget through internal consolidations and eliminations to the General Administration budget.	-41.00		-41.00	
3 Eliminate Aeronautics Council and Funding	(\$14,435)	R	(\$14,435)	R
Eliminates funding for the Aeronautics Council. The Council is funded through General Administration fund code 84210-0041. (S.L. 2011-145, Sec. 28.17.(a); S.L. 2011-266, Sec. 1.21)				
4 Eliminate Bicycle Committee and Funding	(\$2,070)	R	(\$2,070)	R
Eliminates funding for the North Carolina Bicycle Committee. The Committee is funded through General Administration fund code 84210-0035. (S.L. 2011-145, Sec. 28.17.(b); S.L. 2011-266, Sec. 1.27)				
5 Eliminate Vacant Ferry Division Position	(\$39,327)	R	(\$39,327)	R
Eliminates funding for one vacant Administrative Secretary II position in the Ferry Division's Morehead City office. This position is funded through General Administration fund code 84210-7040.	-1.00		-1.00	
6 Transfer One Public Transportation Employee to Receipt Support	(\$63,528)	R	(\$63,528)	R
Transfers funding for one position (position number 60029757) in the Public Transportation Division to receipt support. This position is funded through General Administration fund code 84210-0036.	-1.00		-1.00	
7 Highway Administration - Eliminate Keep America Beautiful Transfer	(\$40,000)	R	(\$40,000)	R
Eliminates funding for the Keep America Beautiful grant (non-profit operating grant) in the Highway Administration budget.				

Construction**8 Access and Public Service Roads**

(\$101,115)	R	(\$101,115)	R
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Reduces funding to the Access and Public Service Roads. The total budget is \$1,758,885 in both years of the biennium.

9 Secondary Roads

(\$35,000,000)	NR	(\$35,000,000)	NR
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Reduces funding for secondary road construction in order to have greater flexibility to use funds across the State-maintained road network by shifting funds to the maintenance categories of contract resurfacing, system preservation, and to the general maintenance reserve. The total budget is \$54,373,921 in FY 2011-12 and \$53,480,182 in FY 2012-13. (S.L. 2011-145, Sec. 28.7.(a))

10 Spot Safety Program

\$3,000,000	R	\$3,000,000	R
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Increases funding to the Spot Safety program to improve safety on State maintained roads. The total budget is \$12,100,000 in both years of the biennium.

Department-wide**11 Consolidate Call Center Functions**

		\$556,074	R
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Transfers funds to the new consolidated call center in FY 2012-13 to support the cost of the ferry reservations line. It is anticipated that the call center will be staffed by contracted employees, not State employees.

Division of Motor Vehicles**12 Driver License Continuation Review**

(\$47,065,069)	R	(\$47,713,947)	R
\$47,065,069	NR		

Eliminates recurring funds for the Driver License program within the Division of Motor Vehicles and supplants with non-recurring funds for FY 2011-12. Program funding will be re-examined for FY 2012-13, per a Continuation Review. (S.L. 2011-145, Sec. 6.7)

13 Reduce Driver & Vehicle Services Operating Funds

(\$4,224,000)	R	(\$4,224,000)	R
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Reduces operating funds per projected driver (license issuance) and vehicle services (contractor commission) transactions. Reductions are net of the expected increase in license production costs upon implementation of the New Generation Driver License System in FY 2011-12.

14 Shift Positions to Receipt-Support

(\$800,319)	R	(\$800,319)	R
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Increases budgeted emission inspection (electronic authorization) receipts to support half of the personnel costs for License & Theft Bureau law enforcement positions.

15 Consolidate Inspection Audits

(\$2,188,668)	R	(\$2,188,668)	R
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Eliminates 39 non-sworn, Emission Specialist positions per a restructuring of the Division of Motor Vehicles Inspection Program. Presently, when an Emission Specialist audits an inspection station and detects a violation, a sworn law enforcement agent is notified for enforcement. Adjustments to Inspector's duties and technological upgrades permit this workflow to be streamlined.

-39.00

-39.00

Receipts budgeted for these positions are reallocated to offset License & Theft Bureau personnel and operating expenses. (S.L. 2011-145, Sec. 28.23B.(a))

16 Establish Per Record Fee for Bulk Data

(\$5,049,796)	R	(\$5,049,796)	R
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Establishes a fee of three cents (\$.03) per partial license, registration, and accident report data record downloaded by third parties, principally for resale. Revenues are projected to increase by \$5,049,796 recurring. Highway Fund appropriations are reduced per projected revenues. (S.L. 2011-145, Sec. 31.29)

17 Eliminate Vacant Positions

(\$343,990)	R	(\$417,117)	R
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Eliminates vacant positions within the Division of Motor Vehicles.

-5.00

-7.00

18 Implement Credit/Debit Payments at Driver License Offices

\$648,879	R	\$1,297,757	R
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Provides funds to offset transactional costs upon implementation of merchant card (credit/debit) point-of-sale processing at driver license offices. Pilot implementation is proposed for January 2012. Second year transactional costs are annualized. Point-of-sale terminal and other installation costs will be supported with existing funds.

Governor's Highway Safety Program**19 GHSP - Cuts**

(\$28,233)	R	(\$28,233)	R
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Eliminates a Public Relations Officer position supported by 50 percent highway funds and 50 percent federal funds, and shifts the employee into a vacant position fully supported by federal funds.

-0.50

-0.50

20 GHSP - Cuts

(\$3,700)	R	(\$3,700)	R
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Eliminates costs to Board in fund code 84210-0042.

Intermodal Divisions**21 Division-wide**

Appropriates \$24,000,000 of accumulated unencumbered fund balance from the five intermodal divisions. This balance resulted primarily from funds encumbered as the state matching component for grant applications for federal funds that were not awarded.

22 Aviation Division - Cuts

(\$3,050,000)	R	(\$3,050,000)	R
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Reduces grant funds for commercial air carrier airports by \$1,200,000, miscellaneous aviation programs by \$1,100,000, and general aviation airports by \$750,000. (S.L. 2011-145, Sec. 28.17A)

23 Ferry Division - Cuts

(\$2,097,950)	R	(\$2,097,950)	R
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Reduces non-essential seasonal temporary employees; reduces fuel costs through engine RPM adjustments and from increasing hull cleanings from every two years to annually; eliminates non-essential overtime; and reduces consumables used by operations and vessels.

24 Ferry Division - Tolling

(\$2,000,000)	R	(\$2,500,000)	R
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Raises tolling on existing routes and adds tolls to two untolled routes. Revenues will increase by \$2,000,000 in FY 2011-12 and by \$2,500,000 recurring in FY 2012-13. (S.L. 2011-145, Sec. 31.30)

25 Ferry Division - Efficiencies

(\$2,000,000)	R	(\$2,000,000)	R
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Reduces funds through division-wide efficiencies. In order to meet the reduction, the Department is authorized to reduce ferry schedules if reductions cannot be met through efficiencies.

26 Ferry Division - Eliminate Vacant Positions

(\$1,115,490)	R	(\$1,115,490)	R
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Eliminates 23 vacant positions that are determined to be non-critical positions. This includes one position associated with the closure of the Morehead City Office.

-23.00		-23.00	
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27 Ferry Division - Close Morehead City Field Office

(\$186,189)	R	(\$446,855)	R
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Closes the Morehead City Office on Feb. 1, 2012, eliminating four (4) permanent employees and six (6) temporary employees that are responsible for the ferry reservations line. The recurring reduction includes rent for the office. The ferry reservation line will be transferred outside of the Ferry Division so that call center functions may be merged across the Department in a manner selected by the Department to better coordinate communications. Funds transferred to the new call center to support ferry operations will come from existing funds within the ferry system budget for FY 2011-12.

-4.00		-4.00	
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28 Ferry Division - Call Center

\$109,209 R

Transfers funds to the new consolidated call center in FY 2012-13 to support the cost of the ferry reservations line. It is anticipated the call center will be staffed by contracted employees, not State employees. Reservation line costs are anticipated to grow once the additional ferry routes become tolled.

29 Ferry Division - Replace Dredge Carolina

\$10,000,000 NR

Replaces Dredge Carolina. The current dredge is over 40 years old and in need of replacement. The dredge is used to maintain channels and basins in order for the ferries to operate and keep navigable channels operational.

30 Public Transportation Division - Cuts

(\$5,792,654) R (\$5,792,654) R

Reduces all public transportation grant programs by six (6) percent.

31 Public Transportation Division - Cuts

(\$200,000) R (\$200,000) R

Reduces the Highpoint Furniture Market grants from \$1,200,000 to \$1,000,000.

32 Rail Division - Transparency

\$5,000,000 R \$5,000,000 R

Repeals G.S. 136-44.20(d) in order to bring transparency to the Rail Division budget. The funds associated are transferred from the Highway Trust Fund to the Highway Fund fund code 84210-7829 to pay for the Piedmont and Carolinian passenger rail operations. These funds are used to pay Amtrak for the cost to fully operate these trains, less fare receipts. (S.L. 2011-145, Sec. 28.12)

33 Rail Division - Cuts

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

Reduces funds to the Rail Division's operating budget.

34 Rail Division - Grants to Short-Line Railroads

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

Provides recurring funds to short-line railroads to fund rehabilitation projects that strengthen North Carolina's short-line infrastructure. (S.L. 2011-145, Sec. 28.13)

Maintenance**35 Internal Consolidations**

(\$4,127,167)	R	(\$5,913,401)	R
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Decreases funds to Maintenance through internal consolidations and eliminations in the pre-construction and administrative areas, and through the elimination of management layers. Within the Highway Fund, of the 75 positions identified for elimination, 29 positions are vacant and can be eliminated on July 1, 2011. Of the 46 filled positions, 24 positions will be eliminated December 31, 2011. The remaining 22 positions will be eliminated July 1, 2012. Within the Highway Trust Fund, of the 15 positions identified for elimination, nine (9) positions are eliminated immediately, and the remaining six (6) filled positions are eliminated December 31, 2011. Receipts for the Trust Fund positions are reduced \$1,339,149 in FY 2011-12 and \$1,394,531 in FY 2012-13.

-53.00

-75.00

36 Privatize and Outsource Functions

Transfers funds within the Maintenance budget to outsource and further privatize existing functions. These functions include the pre-construction work to increase the amount of work privatized in preliminary engineering and project designs. Some general services functions, such as janitorial work, will be outsourced. Within the Highway Fund, of the positions to be eliminated, 57 positions are vacant and will be eliminated on July 1, 2011. Of the remaining 137 filled positions, 110 will be eliminated on December 31, 2011 and the remaining 27 positions will be eliminated on July 1, 2012. No funds are associated with these position reductions because the funds will be shifted to the costs of outsourcing and privatizing these functions. Within the Highway Trust Fund, of the 16 positions to be eliminated, three (3) positions are vacant and will be eliminated on July 1, 2011. The remaining 13 filled positions will be eliminated on July 1, 2012. No funds are associated with these position reductions because the funds will be shifted to the costs of outsourcing and privatizing these functions. (S.L. 2011-145, Sec. 28.9)

-167.00

-194.00

37 Primary System

Reduces funding to the primary system in order to have greater flexibility to use funds across the State-maintained road network by shifting funds to contract resurfacing, system preservation, and to the general maintenance reserve. The total budget is \$184,459,157 in both years of the biennium.

(\$20,000,000)	NR	(\$20,000,000)	NR
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38 Secondary System

Reduces funding to the secondary system in order to have greater flexibility to use funds across the State-maintained road network by shifting funds to contract resurfacing, system preservation, and to the general maintenance reserve. The total budget is \$267,356,761 in both years of the biennium. (S.L. 2011-145, Sec. 28.7.(a))

(\$30,000,000) NR (\$30,000,000) NR

39 Contract Resurfacing

Increases funds for Contract Resurfacing. The contract resurfacing program provides funding for resurfacing the paved road system to improve ride quality. Contract resurfacing avoids costly patching and frequent maintenance. The total budget is \$406,919,741 in FY 2011-12 and \$427,682,126 in FY 2012-13.

\$132,394,078 NR \$153,156,463 NR

40 System Preservation

Increases funds for System Preservation in order to make improvements on structurally deficient bridges. 81.1 percent of structurally deficient bridges are located on the secondary road system. The total budget is \$214,441,480 in FY 2011-12 and \$235,293,865 in FY 2012-13. (S.L. 2011-145, Sec. 28.8)

\$135,852,409 NR \$156,704,794 NR

41 General Maintenance Reserve

Increases funds for the General Maintenance Reserve in order for the Department to have greater flexibility in programming funds to target the most critical maintenance needs. The total budget is \$116,030,243 in FY 2011-12 and \$140,636,243 in FY 2012-13.

\$78,229,931 NR \$102,835,931 NR

Repairs and Renovations**42 Funds for Facility Improvements and Repairs**

Provides funds for the Department to address critical life safety repairs, renovations, and replacement of its field facilities. Projects to be funded are critical to the success of the Department to effectively deliver its statutorily mandated programs and services. \$250,000 non-recurring in receipts are used in FY 2011-12.

\$15,250,000 NR \$15,000,000 NR

Reserves**43 Reserve for Continuation Review**

Establishes a reserve for Highway Fund support of the Driver License Program within the Division of Motor Vehicles. (S.L. 2011-145, Sec. 6.7)

\$47,713,947 R

44 Reserve for Global TransPark Authority

Reduces funding for the Global TransPark Authority (fund code 84210-0869) by ten (10) percent. Highway Fund appropriations for the Authority total \$1,152,000 recurring.

(\$128,000) R (\$128,000) R

45 State Retirement System Contributions

\$11,200,000 R \$15,100,000 R

Increases the State's contribution to the Teachers' and State Employees' Retirement System for the 2011-2013 biennium to fund the Annual Required Contribution.

46 Compensation Adjustment and Performance Pay Reserve

\$4,906,715 R

Provides funding for labor market and equity salary increases and funding for performance based pay plans to effectuate recommendations made in connection with the comprehensive review and reform of public employee compensation plans. (S.L. 2011-145, Sec. 29.20A)

47 State Health Plan

\$332,245 R \$4,767,052 R

Provides additional funding to continue health benefit coverage for enrolled active and retired employees supported by the Highway Fund for the 2011-2013 biennium. (S.L. 2011-85, Sec. 1.1.(b))

48 Severance Expenditure Reserve

\$2,552,553 NR \$626,316 NR

Provides funding for severance salary continuation payments and health benefit coverage under the State Health Plan for employees reduced-in-force. Additional receipts for positions funded from the Highway Trust Fund total \$149,083 in FY 2011-12 and \$323,012 in FY 2012-13. (S.L. 2011-145, Sec. 29.21)

49 Reserve for Visitor Centers

(\$400,000) R (\$400,000) R

Eliminates Highway Fund appropriations to the Reserve for Visitor Centers (fund code 84210-0882). Budgets \$400,000 of additional title fee receipts, per transfer from the Highway Trust Fund, to offset reductions for visitor center operating grants. Total grant funding remains \$400,000 for the 2011-2013 biennium. (S.L. 2011-145, Sec. 28.30, Sec. 31.11)

Statutory Adjustments**50 Aid to Municipalities**

\$1,707,042 NR

Adjusts funding for Aid to Municipalities based on revised projections for motor fuels tax consumption in accordance with G.S. 136-41.1. The total budget is \$89,373,921 in FY 2011-12 and \$90,187,224 in FY 2012-13. (S.L. 2011-145, Sec. 28.10)

Transfers**51 Department of Agriculture - Standards Division**

(\$261,888) R (\$261,888) R

Eliminates funds for three (3) vacant positions for a total position cost of \$146,561, one (1) filled position (Chemical Tech II) for a total position cost of \$58,101, and shifts funds for another position from Highway Fund receipts to other receipts within the Department of Agriculture budget (total \$57,039). Reduces operating budget for equipment and supplies by \$187. (S.L. 2011-145, Sec. 28.25A.(a))

52 Department of Revenue - Motor Fuels Division

(\$1,024,544) R

(\$1,024,544) R

Eliminates funds for 15 vacant positions for a total personnel cost savings of \$785,704, reduces the "other information technology services" budget by \$207,346, and reduces the travel budget by \$31,494. (S.L. 2011-145, Sec. 28.25A.(a))

53 DENR Lust Trust Fund

(\$2,171,898) R

(\$2,261,898) R

Eliminates funding for the Leaking Underground Storage Tank (LUST) program through G.S. 119-18(b). The larger transfer to LUST from motor fuels taxes through G.S. 105-449.125, which totaled \$17.7 million in FY 2009-10, is not impacted. (S.L. 2011-145, Sec. 28.25A.(b))

54 Department of Health and Human Services - Chemical Testing Unit

(\$28,867) R

(\$28,867) R

Shifts a portion of funds for position number 60039654 from Highway Fund receipts to other receipts within the Department of Health and Human Services budget, and reduces funding for purchased services by \$6,280.

55 Department of Public Instruction - Driver Education Program

(\$5,211,990) R

(\$5,265,585) R

Authorizes local education agencies (LEAs) to assess fees of up to forty-five dollars (\$45.00) to program participants. Highway Fund appropriations are reduced per projected revenues of \$5,211,990 in FY 2011-12 and \$5,265,585 in FY 2012-13. Estimates are based on projected ninth-grade average daily membership and reported enrollment from fiscal years 2007-08 through 2009-10. Highway Fund appropriations total \$26,809,974 for FY 2011-12 and \$26,756,379 for FY 2012-13. (S.L. 2011-145, Sec. 31.1)

56 State Highway Patrol - Freeze Step Increases

(\$3,373,932) NR

(\$3,373,932) NR

Continues the freeze on salary step increases (five percent) for sworn members of the State Highway Patrol for the 2011-2013 biennium. (S.L. 2011-145, Sec. 29.8.(c))

57 State Highway Patrol - Management Flexibility Reserve

(\$2,390,202) R

(\$10,482,026) R

Establishes a management flexibility reserve for the State Highway Patrol. (S.L. 2011-145, Sec. 28.28; S.L. 2011-391, Sec. 53, 2011 Budget Technical Corrections, notwithstanding this item to increase the management flexibility reserve reductions to \$4,563,227 for FY 2011-12 and \$13,203,720 for FY 2012-13.)

58 State Highway Patrol - Administrative Consolidations

(\$1,271,694) R
\$548,669 NR

(\$1,271,694) R

Eliminates the Administrative Services Section and other administrative units within the State Highway Patrol, and reduces human resources staffing as follows:

- General Counsel Office: \$176,752 (2 FTE)
- Public Information/Recruiting: \$267,796 (3 FTE)
- Administrative Services Section Management: \$119,372 (1 FTE)
- Assessment Office: \$205,123 (3 FTE)
- Benefits/Personnel and Performance/Promotion: \$502,651 (6 FTE)

\$548,669 is budgeted on a non-recurring basis in FY 2011-12 for projected severance payments.

(S.L. 2011-145, Sec. 28.28; S.L. 2011-391, Sec. 53, 2011 Budget Technical Corrections, notwithstanding this item to specify alternate reductions in force and to combine it with the State Highway Patrol - Management Flexibility Reserve, Item 57.)

59 State Highway Patrol - Reduce Operating Funds

(\$1,450,000) R

(\$1,450,000) R

Reduces funding for purchased services, equipment, and supplies.

(S.L. 2011-391, Sec. 53, 2011 Budget Technical Corrections, notwithstanding this item to combine it with the State Highway Patrol - Management Flexibility Reserve, Item 57.)

60 State Highway Patrol - Eliminate Highway Fund Transfer

(\$196,849,542) R

(\$188,209,049) R

Eliminates Highway Fund appropriations (fund codes 84210-0866 and 84210-1010) for transfer to the Department of Crime Control and Public Safety (budget code 24960) for State Highway Patrol operations. Equivalent transfers to the General Fund offset this reduction. The Department of Transportation shall continue to administer and transfer matching funds for Motor Carrier Safety Assistance Program grants budgeted within fund code 84210-7834 for the State Highway Patrol. (S.L. 2011-145, Sec. 28.27.(c))

61 Transfer to General Fund

\$196,849,542 R

\$188,209,049 R

Transfers funds to the General Fund per the directed certification of the State Highway Patrol budget under a Department of Crime Control and Public Safety fund code within the General Fund. Including matching funds for Motor Carrier Safety Assistance Program grants budgeted within fund code 84210-7834, total budgeted transfers for the State Highway Patrol are \$198,500,000 in FY 2011-12 and \$189,859,507 in FY 2012-13. (S.L. 2011-145, Sec. 28.27)

Total Legislative Changes

(\$80,670,751) R

(\$29,905,445) R

\$323,518,777 NR

\$351,656,614 NR

Total Position Changes

-341.50

-392.50

Revised Budget

\$2,049,200,000

\$2,134,160,000

Highway Trust Fund

HIGHWAY TRUST FUND

	FY 11-12	FY 12-13
Recommended Budget	\$933,800,000	\$982,400,000

Legislative Changes

Administration

62 Administration

Appropriates \$25,000,000 of the accumulated unencumbered fund balance within the Highway Trust Fund Administration budget to Urban Loops. (S.L. 2011-145, Sec. 28.31, 28.31A)

Aid to Municipalities

63 Statutory Adjustment to Aid to Municipalities Allocation

Increases funds for State Aid to Municipalities for FY 2011-12 and FY 2012-13, consistent with new revenue estimates and G.S. 136-176(b)(3). The total budget is \$51,216,036 in FY 2011-12 and \$54,043,432 in FY 2012-13. (S.L. 2011-145, Sec. 28.10)

\$6,365,050	NR	\$6,371,287	NR
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Construction

64 Intrastate System

Increases funds for the Intrastate System for FY 2011-12 and FY 2012-13, consistent with new revenue estimates and G.S. 136-176(b)(1). The total budget is \$460,823,529 in FY 2011-12 and \$487,503,034 in FY 2012-13.

\$60,663,823	NR	\$60,723,266	NR
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65 Secondary Roads

Notwithstanding G.S. 136-176(b)(4) and reduces funding to Secondary Roads. The total budget is \$43,655,667 in FY 2011-12 and \$49,320,944 in FY 2012-13. (S.L. 2011-145, Sec. 28.7.(b))

(\$17,500,000)	NR	(\$17,500,000)	NR
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66 Urban Loops

Increases funds for Urban Loops for FY 2011-12 and FY 2012-13, consistent with new revenue estimates and G.S. 136-176(b)(2). Also budgets \$72,500,000 of non-recurring funds that are reallocated from the Garden Parkway project. Non-recurring increases in FY 2011-12 also include \$25,000,000 of unencumbered administrative funds from prior years and \$17,500,000 in funds reallocated from secondary road construction.

\$550,000	R	\$550,000	R
\$130,907,485	NR	\$71,350,039	NR

Budgets title fee revenues per a reduction in the amount statutorily transferred to the Mercury Switch Removal Account (budget code 24300-2119) in the Department of Environment and Natural Resources, per G.S. 20-85(a1). \$550,000 of projected title fee revenues are budgeted for both years of the biennium.

Transfers \$5,223,642 in non-recurring funds to the General Fund to purchase replacement school buses for local school systems.

The total Urban Loops budget is \$263,587,722 in FY 2011-12 and \$212,957,986 in FY 2012-13.
(S.L. 2011-145, Sec. 28.7.(b), 28.30, 28.31, 28.31A, 28.32, 31.11)

67 Mobility Fund

(\$45,000,000)	R
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Eliminates the transfer to the Mobility Fund beginning in FY 2012-13 and transfers the funds to a reserve.

The total Mobility Fund budget is \$31,000,000 in FY 2011-12.
(S.L. 2011-145, Sec. 28.33.(c))

Reserves**68 DOT Prioritization Reserve**

\$45,000,000	R
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Pending finalization of the Mobility Fund project selection criteria and review of final outcomes, recurring funds to the Mobility Fund beginning in FY 2012-13 are placed in this reserve account. (S.L. 2011-145, Sec. 28.33.(c))

Transfers**69 Transfer to General Fund**

\$115,408	R
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Increases transfer to the General Fund by \$35,223,642 in FY 2011-12 to purchase replacement school buses for local school systems, and by \$115,408 in FY 2012-13 in accordance with G.S. 105-187.9(b)2. The total transfer is \$76,720,918 in FY 2011-12 and \$27,595,861 in FY 2012-13. (S.L. 2011-145, Sec. 28.32.(a))

\$35,223,642	NR
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70 Transfer to Highway Fund - Reserve for Visitor Centers

\$400,000

R

\$400,000

R

Appropriates \$400,000 for transfer to the Highway Fund Reserve for Visitor Centers for operating grants to nine visitor centers.

Highway Trust Fund revenues are projected to increase by \$950,000 recurring per a reduction in the amount of title fee receipts transferred to the Mercury Switch Removal Account (budget code 24300-2119) in the Department of Environment and Natural Resources. Of these revenues, \$400,000 is appropriated to the Highway Fund Reserve for Visitor Centers and the remaining balance is appropriated to Urban Loops. (S.L. 2011-145, Sec. 28.30, Sec. 31.11)

Turnpike Authority**71 Mid-Currituck Bridge Project**

Reallocates \$30,000,000 of unencumbered gap funds appropriated in FY 2009-10 and FY 2010-11 to the Mid-Currituck Bridge project for transfer to the General Fund to purchase replacement school buses for local school systems. (S.L. 2011-145, Sec. 28.32.(a))

72 Garden Parkway Project

Reduces gap funding for debt service and related financing costs for the Garden Parkway project on a non-recurring basis and reallocates \$20,000,000 of unencumbered gap funds appropriated in FY 2010-11 to Urban Loops. (S.L. 2011-145, Sec. 28.32)

(\$35,000,000)

NR

(\$17,500,000)

NR

Total Legislative Changes

\$950,000

R

\$1,065,408

R

\$180,660,000

NR

\$103,444,592

NR

Total Position Changes**Revised Budget**

\$1,115,410,000

\$1,086,910,000

Turnpike Authority

TURNPIKE AUTHORITY

	FY 11-12		FY 12-13	
Recommended Budget	\$4,442,571		\$4,442,571	
Legislative Changes				
North Carolina Turnpike Authority Administration				
73 Reduce Operating Funds	(\$800,000)	R	(\$800,000)	R
Reduces operating funds for administration of the North Carolina Turnpike Authority by 18 percent. The total budget for Turnpike Authority administration is \$3,642,571 for the 2011-2013 biennium.				
Total Legislative Changes	(\$800,000)	R	(\$800,000)	R
Total Position Changes				
Revised Budget	\$3,642,571		\$3,642,571	

Special Provisions

2011 Session: HB 22

Department:

Section: 51

Title: **TECHNICAL CHANGE: STATE STREET-AID TO MUNICIPALITIES (POWELL BILL) ADJUSTMENTS**

Summary Amends S.L. 2011-145, Sec. 28.10.(c), Appropriations Act of 2011, to enable zero road mile cities to maintain unspent funds until June 30, 2012.

Section: 52

Title: **TECHNICAL CHANGE: PROGRAM EVALUATION TO STUDY NORTH CAROLINA RAILROAD**

Summary Amends S.L. 2011-145, Sec. 28.12A, Appropriations Act of 2011, to clarify that Highway Funds may be used to pay for consultants. It also extends the due date to November 1, 2012.

Section: 53

Title: **BUDGET CHANGES: STATE HIGHWAY PATROL MANAGEMENT FLEXIBILITY CHANGES**

Summary Amends S.L. 2011-145, Sec. 28.28, Appropriations Act of 2011, to strike the elimination of the Administrative Services Section in Sec. 28.28.(a), to enumerate additional reductions in force in Sec. 28.28.(b), and to notwithstanding the Committee Report on the Continuation, Expansion, and Capital Budgets to consolidate recurring reductions for the State Highway Patrol under the management flexibility reserve in Sec. 28.28.(c). Revised management flexibility reserve reductions total \$4,563,227 for FY 2011-12 and \$13,203,720 for FY 2012-13.

Section 53.(b) further amends S.L. 2011-145, Sec. 28.28 to authorize position freezes and reassignment of personnel from Patrol Headquarters.

Section: 54

Title: **TECHNICAL CHANGE: CERTIFICATE OF TITLE FEE DISTRIBUTION CHANGES**

Summary Amends G.S. 20-85.(a1)(2), as amended by S.L. 2011-145, Sec. 28.30.(a), Appropriations Act of 2011, to correct the referenced destination fund from the Highway Fund to the Highway Trust Fund.

Section: 55

Title: **TECHNICAL CHANGE: REDUCE GARDEN PARKWAY GAP FUNDS AND TRANSFER FUNDING TO URBAN LOOPS PROGRAM**

Summary Amends S.L. 2011-145, Sec. 28.32.(c), Appropriations Act of 2011, to clarify that changes to the gap funding schedule effective for FY 2011-12 apply only for that fiscal year.

Section: 56

Title: **TECHNICAL CHANGE: TURNPIKE AUTHORITY PROJECT AUTHORIZATION CHANGES**

Summary Amends S.L. 2011-145, Sec. 28.32.(e), Appropriations Act of 2011, to correct the reference to G.S. 136-89.183.(a)(2).

Section: 57

Title: **TECHNICAL CHANGE: MOBILITY FUND PROJECT SELECTION CRITERIA ADJUSTMENT; MOBILITY FUND MONEY PLACED IN RESERVE ACCOUNT FOR FY 2012-2013 AND FUTURE FISCAL YEARS**

Summary Removes S.L. 2011-145, Sec. 28.33.(d), Appropriations Act of 2011, because the section is not needed.

Section: 58

Title: **TECHNICAL CHANGE: REMOVE URBAN LOOP PROJECTS FROM STATUTE AND ALLOW DEPARTMENT OF TRANSPORTATION TO DEFINE AND PRIORITIZE URBAN LOOP PROJECTS**

Summary Amends S.L. 2011-145, Sec. 28.34.(a), Appropriations Act of 2011, to define urban loops based on the U.S. Census Bureau's definition of urbanized area.

Section: 58.1

Title: **BUDGET CHANGE: DMV/DRIVER LICENSE SERVICES**

Summary Amends S.L. 2011-145, Appropriations Act of 2011, to add new Section 28.23F which directs the Division of Motor Vehicles to use appropriated funds to restore one day per week licensing services at a fixed office located in Walnut Cove, Stokes County.

Special Provisions

2011 Session: HB 200

Department: Transportation

Section: 28.1

Title: **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATION**

Summary Includes the expected cash flow for the FY 2013-15 and FY 2015-17 bienniums that allows DOT to contract payments beyond the current bienniums.

Section: 28.2

Title: **CHANGES TO HIGHWAY FUND CERTIFIED BUDGET TO INCREASE TRANSPARENCY**

Summary Requires the Office of State Budget and Management, in conjunction with DOT and the State Controller, to include greater detail in the Highway Fund Certified Budget to provide a more detailed accounting of the proposed budget and receipts and actual expenditures and revenue collections.

Section: 28.3

Title: **REMOVE PILOT DESIGNATION FOR PUBLIC-PRIVATE PARTNERSHIPS**

Summary Removes the cap of two contracts for public-private participation for litter removal and service at State-owned rest areas.

Section: 28.4

Title: **REMOVE CAP ON DESIGN-BUILD PROJECTS**

Summary Removes the cap of 25 projects eligible for design-build contracts.

Section: 28.5

Title: **REQUEST FOR INFORMATION RELATED TO SPONSORSHIPS**

Summary Requires DOT to issue a Request for Information for potential sponsors of welcome centers, ferry welcome centers, visitor centers, rest areas, ferries, and Incident Management Assistance Patrols. DOT will report its findings to the Joint Legislative Transportation Oversight Committee by March 1, 2012.

Section: 28.6

Title: **SMALL CONSTRUCTION AND CONTINGENCY FUNDS**

Summary Provides seven million dollars in each fiscal year for small construction projects recommended by the State Highway Administrator and the Chief Operating Officer and twelve million dollars in each fiscal year for rural or small urban highway improvements and related transportation enhancements.

Section: 28.7

Title: **ADJUST SECONDARY ROAD CONSTRUCTION AND SECONDARY ROAD MAINTENANCE**

Summary Reduces the Highway Fund and Highway Trust Fund appropriations for secondary road improvements notwithstanding the provisions of G.S. 136-44.2A and G.S. 136-176(b)(4).

Section: 28.8

Title: **SYSTEM PRESERVATION FUNDS PREFERENCE FOR DEFICIENT BRIDGES**

Summary Designates all system preservation funds appropriated in the biennium shall be used to improve structurally deficient bridges.

Section: 28.9

Title: **INCREASE DOT PRIVATIZATION**

Summary Reduces the amount of design and preliminary engineering work that is performed in-house by increasing the amount of work that is privatized. This will increase the work performed by small businesses.

Section: 28.10

Title: **STATE STREET-AID TO MUNICIPALITIES (POWELL BILL) ADJUSTMENTS**

Summary Changes the disbursement of funds from once a year to twice a year and eliminates funding to and then redistributes funds from cities that have zero road miles. Enables DOT to allow small municipalities to maintain allocations for 10 years. (H.B. 754)

(S.L. 2011-391, Sec. 51, 2011 Budget Technical Corrections, amends S.L. 2011-145, Sec. 28.10(c) to allow zero road mile cities to expend current balance by June 30, 2012.)

Section: 28.12

Title: **STATE AID TO RAILROADS TRANSPARENCY**

Summary Repeals G.S. 136-44.20(d) and transfers funds to Highway Fund to support Carolinian and Piedmont train operations.

Section: 28.12A

Title: **PROGRAM EVALUATION DIVISION TO STUDY NORTH CAROLINA RAILROAD**

Summary Requires the General Assembly's Program Evaluation Division to study the North Carolina Railroad and report the results to the Joint Legislative Program Oversight Committee and Joint Legislative Transportation Oversight Committee by May 1, 2012.

(S.L. 2011-391, Sec. 52, 2011 Budget Technical Corrections, amends S.L. 2011-145, Sec. 28.12A to clarify that Highway Funds may be used to pay for consultants. It also extends the due date to November 1, 2012.)

Section: 28.13

Title: **STATE AID TO SHORT-LINE RAILROADS**

Summary Requires short-line railroads to provide at least a fifty percent match to any State and federal assistance under the Rail Industrial Access Program and the Short Line Infrastructure Access Program.

Section: 28.15

Title: **REPORT, CONSULTATION, AND APPROVAL OF RAIL PROJECTS**

Summary Requires DOT to report to the Joint Legislative Transportation Oversight Committee or to the House and Senate Appropriation Committees prior to the acceptance of all federal funds for rail programs. DOT must consult with the Joint Legislative Transportation Oversight Committee or the House and Senate Appropriation Committees prior to the acceptance of all federal funds for rail programs over three million dollars. General Assembly approval is required if the amount is over \$5 million. If General Assembly approval is required, the absence of an action by the General Assembly within 30 days is deemed to be an approval of the project. (H.B. 422)

Section: 28.16

Title: **PROHIBIT RAIL DIVISION FROM PROVIDING CONVENIENCE ITEMS FREE OF CHARGE ON ALL PASSENGER RAIL SERVICE**

Summary Prohibits DOT from providing rail passengers convenience items free of charge.

Section: 28.17

Title: **ELIMINATE AERONAUTICS COUNCIL, BICYCLE COMMITTEE, AND RAIL COUNCIL**

Summary Eliminates the Aeronautics and Rail Councils and the Bicycle Committee.
(S.L. 2011-266, Sec. 1.14, 1.21, 1.27)

Section: 28.17A

Title: **AVIATION DIVISION APPROPRIATION**

Summary Reduces the aviation appropriation from the Highway Fund notwithstanding the provisions of G.S. 136-16.4.

Section: 28.18

Title: **FLEXIBLE USE OF FUNDS TO LEVERAGE FEDERAL FUNDS FOR RURAL PUBLIC TRANSPORTATION**

Summary Provides flexibility for the DOT Public Transportation Division to transfer funding from the consolidated capital program of its rural funding programs for vehicles, technology and facilities to the operating programs to leverage federal funds.

Section: 28.19

Title: **MAXIMIZE LEVERAGE OF FEDERAL PUBLIC TRANSPORTATION OPERATING AND CAPITAL FUNDS FOR LOCAL PUBLIC TRANSPORTATION SYSTEMS**

Summary Provides flexibility for the DOT Public Transportation Division to allow local public transportation systems to use State funds from four operating funds to leverage all federal transit operating assistance funds.

Section: 28.20

Title: **STREAMLINE GRANT PROCESS AND CONSOLIDATE GRANTS FOR PUBLIC TRANSPORTATION**

Summary Directs the Public Transportation Division to work with stakeholders to streamline the public transportation grant application process, determine levels of funding distributions and report its findings to the Joint Legislative Transportation Oversight Committee by March 1, 2012. The provision directs DOT to combine portions of three rural grant programs in order to maximize the ability of rural transportation systems to seek federal grant funding, effective July 1, 2012.

Section: 28.21

Title: **STUDY REGIONAL CONSOLIDATION OF TRANSIT SYSTEMS**

Summary Directs the Public Transportation Division to study the feasibility and appropriateness of developing a regional transit system and reporting its findings to the Joint Legislative Transportation Oversight Committee by March 1, 2012.

Section: 28.23

Title: **FLEXIBLE USE OF FUNDS FOR DIVISION OF MOTOR VEHICLES FOR FISCAL YEARS 2011-2012 AND 2012-2013**

Summary Authorizes the Division of Motor Vehicles to utilize funds appropriated for FY 2011-12 and FY 2012-13 for the following purposes:
(1) \$105,000 for security services at the Charlotte Registration and International Registration Plan office; and,
(2) \$225,030 to staff the dedicated commercial drivers license skills testing sites in Lumberton and Iredell County. Five vacant positions may also be reclassified to staff these sites.

Section: 28.23B

Title: **CONFORMING CHANGES RELATED TO DMV AUDITORS AND CHANGES RELATED TO DMV HEARINGS**

Summary Removes statutory references to Inspection Program auditors per reductions in force, allows the Division of Motor Vehicles to give notice of charges for Program violations via certified mail, and extends the period during which the Division must hold a hearing upon request from a licensed station or inspector charged with a violation from 10 business days to 30 calendar days.

Section: 28.24

Title: **STUDY EXEMPTING MOTOR VEHICLES FROM EMISSIONS INSPECTIONS**

Summary Requires the Department of Transportation and the Department of Environment and Natural Resources, Division of Air Quality to evaluate jointly the impacts of exempting emissions inspections for a) vehicles less than three years old and b) all vehicles. Enumerated considerations include: impacts on emissions levels and attainment of air quality standards; alternative programs to achieve equivalent emissions reductions; conformity with State and local transportation plans; potential fiscal impacts, including federal transportation funding; and, administrative and regulatory adjustments. The joint report must be submitted no later than March 1, 2012.

Section: 28.25

Title: **DEPARTMENT OF REVENUE TO REPORT ON MOTOR FUELS TAX AUDITOR AND INVESTIGATOR PERFORMANCE**

Summary Requires the Department of Revenue to report on the performance of auditor and investigator collection and enforcement activities to the Joint Legislative Transportation Oversight Committee by March 1, 2012.

Section: 28.25A

Title: **REDUCE ADMINISTRATIVE TRANSFERS AND REDIRECT LEAKING UNDERGROUND STORAGE TANK FUNDING TO HIGHWAY FUND FOR SYSTEM PRESERVATION**

Summary Reduces the Highway Fund appropriation from the Gasoline Inspection Fee to the Departments of Revenue and Agriculture and Consumer Services and eliminates the transfer in G.S. 119-18(b) to the Leaking Underground Storage Tank program. Funding is redirected to highway maintenance system preservation.

Section: 28.26

Title: **STUDY REIMBURSEMENT PROCESS FOR DEPARTMENT OF CORRECTION LITTER PICKUP**

Summary Directs the Office of State Budget and Management, in consultation with the Departments of Correction and Transportation, to study a performance-based reimbursement for inmate litter pickup and to report to the Joint Legislative Transportation Oversight Committee and the Joint Legislative Commission on Governmental Operations by March 1, 2012.

Section: 28.27

Title: **STATE HIGHWAY PATROL FUNDS TRANSFER**

Summary Directs the certification of budgeted funds for the State Highway Patrol Division under the General Fund budget code for the Department of Crime Control and Public Safety, and discontinues the direct transfer from the Highway Fund for State Highway Patrol operations. Subsections 28.27.(a) and 28.27.(b) transfer \$196,849,542 from the Highway Fund to the General Fund for FY 2011-12, and \$188,209,049 for FY 2012-13, to offset General Fund appropriations to the State Highway Patrol.

Section: 28.28

Title: **STATE HIGHWAY PATROL POSITIONS AND MANAGEMENT FLEXIBILITY**

Summary Subsections 28.28.(a) and 28.28.(b) eliminate the Administrative Services Section of the State Highway Patrol Division, direct the consolidation of remaining Section positions, and enumerate reductions in force.

Subsection 28.28.(c) establishes management flexibility reserve reductions of \$2,325,484 for FY 2011-12 and \$10,373,350 for FY 2012-13. Additional reductions in force are authorized to achieve these reductions; however, the Patrol may not eliminate sworn law enforcement officer positions that are responsible for traffic and commercial motor vehicle enforcement unless 25 percent of the required savings are first achieved in areas other than district-level enforcement.

Subsection 28.28.(d) requires the State Highway Patrol Division to report by March 1, 2012 on the positions eliminated in FY 2011-12, as well as the alternatives considered to the implemented reductions in force.

(S.L. 2011-391, Sec. 53.(a), 2011 Budget Technical Corrections, amends S.L. 2011-145, Sec. 28.28 to: strike the required elimination of the Administrative Services Section in Sec. 28.28.(a); require additional reductions in force by August 1, 2011, as enumerated in Sec. 28.28.(b); and to combine recurring reductions for the State Highway Patrol with the management flexibility reserve in Sec. 28.28.(c). The revised management flexibility reserve reductions total \$4,563,227 for FY 2011-12 and \$13,203,720 for FY 2012-13. S.L. 2011-391, Sec. 53.(b) further amends S.L. 2011-145, Sec. 28.28 to authorize position freezes and reassignment of personnel from Patrol Headquarters.)

Section: 28.30

Title: **HIGHWAY TRUST FUND MONEY FOR VISITOR CENTERS; SPECIAL REGISTRATION PLATES MONEY FOR VISITOR CENTERS**

Summary Appropriates receipts collected from \$.50 of the fee imposed for a certificate of title as follows, per the reduced transfer to the Mercury Switch Removal Account specified in Sec. 31.11:

(1) \$400,000 to the Reserve for Visitor Centers in the Highway Fund; and,

(2) Any remainder for urban loop projects.

Also appropriates \$100,000 from the Special Registration Plate Account for operating assistance for the visitor center located on I-73/74 in Randolph County.

(S.L. 2011-391, Sec. 54, 2011 Budget Technical Corrections, amends G.S. 20-85.(a1)(2), as amended by S.L. 2011-145, Sec. 28.30.(a), to make a technical change by correcting the referenced destination fund.)

Section: 28.31

Title: **MAINTAIN CURRENT LEVEL OF ADMINISTRATIVE FUNDING FROM THE HIGHWAY TRUST FUND; SEND SAVINGS TO URBAN LOOPS**

Summary Notwithstanding the provisions of G.S. 136-176(b), maintains funding for administration within the Highway Trust Fund.

Section: 28.31A

Title: **ADMINISTRATIVE BALANCE TRANSFERRED TO URBAN LOOPS**

Summary Transfers the accumulated fund balance for administration within the Highway Trust Fund to urban loops.

Section: 28.32

Title: SCHOOL BUS FUNDING FROM UNEXPENDED MID-CURRITUCK BRIDGE GAP FUNDS AND URBAN LOOP FUNDS; REDUCE GARDEN PARKWAY GAP FUNDS AND TRANSFER FUNDING TO URBAN LOOPS PROGRAM

Summary Subsection 28.32.(a) transfers unexpended gap funds for the Mid-Currituck Bridge project, as well as \$5,223,642 otherwise appropriated for urban loop projects, to the General Fund to purchase replacement school buses for local school districts.

Subsection 28.32.(b) reallocates unexpended gap funds for the Garden Parkway project for urban loops.

Subsections 28.32.(c) and (d) reduce gap funding for the Garden Parkway project on a non-recurring basis by \$35 million for FY 2011-12 and \$17.5 million for FY 2012-13.

Subsection 28.32.(e) decreases the number of projects that the Turnpike Authority may study from nine to eight, and authorizes the Turnpike Authority to construct and operate the Southeast Extension project.

(S.B. 165; S.L. 2011-391, Sec. 55, 2011 Budget Technical Corrections, amends S.L. 2011-145, Sec. 28.32.(c) to make the changes to the gap funding schedule for FY 2011-12 effective only for that fiscal year. Section 56 amends S.L. 2011-145, Sec. 28.32.(e) to make a technical change by correcting the reference to G.S. 136-89.183.(a)(2)).

Section: 28.33

Title: MOBILITY FUND PROJECT SELECTION CRITERIA ADJUSTMENT; MOBILITY FUND MONEY PLACED IN RESERVE ACCOUNT FOR FY 2012-2013 AND FUTURE FISCAL YEARS

Summary Revises S.L. 2010-31, Sec. 28.79.(b), by requiring DOT to develop new selection criteria for Mobility Fund projects that remove the Congestion Relief and Intermodal Transportation 21st Century Fund from preferential consideration in the Mobility Fund formula, eliminates the requirement that DOT involve interested stakeholders in the development process, and requires DOT to report the outcome to the Joint Legislative Transportation Oversight Committee by October 15, 2011. Creates a DOT Prioritization Reserve for future Mobility Fund monies.

(S.L. 2011-391, Sec. 57, amends SL. 2011-145, Sec. 28.33, to make a technical change by removing Sec. 28.33.(d).)

Section: 28.34

Title: REMOVE URBAN LOOP PROJECTS FROM STATUTE AND ALLOW DEPARTMENT OF TRANSPORTATION TO DEFINE AND PRIORITIZE URBAN LOOP PROJECTS

Summary Removes specific urban loops from G.S. 136-180 and requires DOT to designate and prioritize urban loops. Continues the acceleration of Greensboro, Charlotte, and Wilmington urban loops.

(S.L. 2011-391, Sec. 58, amends SL. 2011-145, Sec. 28.34.(a), to define urban loops based on the U.S. Census Bureau's definition of urbanized area.)

Section: 28.35

Title: MODIFY DEPARTMENT OF TRANSPORTATION REPORTING REQUIREMENTS

Summary Eliminates or consolidates eight obsolete or duplicative reports.

Section: 28.36

Title: **COST-EFFICIENT TIRE RETREADS ON STATE VEHICLES AND SCHOOL BUSES**

Summary Requires that State agencies and local boards of education purchase tires with the original sidewall intact, and prohibits contracts for the repair or refurbishment of tires that results in the alteration or covering of the original sidewall.
(S.B. 416)

Section: 28.37

Title: **DRIVER EDUCATION REFORM**

Summary Recodifies G.S. 20-88.1 under Chapter 115C and makes the following modifications:

- requires a standardized driver education program;
- authorizes participation by eligible home school students;
- adds at least one hour of motorcycle safety awareness training to basic curriculum requirements;
- directs the State Board of Education to implement a strategic plan for the program; and,
- establishes an advisory committee comprised of DMV, DPI, and stakeholder representatives.

This provision clarifies that program funding is based on an annual appropriation from the Highway Fund, and requires local boards of education to offer noncredit, standardized driver education courses and to account for associated expenditures.

This provision requires the State Board of Education to establish pilot programs for electronic-based instruction in at least five school systems, and to report on program outcomes and instructional costs by June 15, 2012.

This provision also requires the State Board of Education to report by July 15, 2011 on the status of implementing the standard curriculum for driver education, and directs that the Board report by June 15, 2012 on the following:

- identification of the most cost-effective method of driver education instruction; and,
- the strategic plan required by G.S. 115C-215, as amended.

(S.B. 339; S.L. 2011-334 amends S.L. 2011-145, Sec. 28.37.(a) to require that the State Board of Education adopt a salary range for the delivery of driver education courses by public school employees that is based on the instructor's qualifications, certification, and licensure.)

Section: 28.38

Title: **ROAD IMPROVEMENTS FOR LAWYERS ROAD IN MECKLENBURG AND UNION COUNTIES**

Summary Directs DOT to use up to two million dollars of funds appropriated to make improvements to Lawyers Road.

Section: 31.1

Title: **EDUCATION/DRIVER EDUCATION COURSE FEE**

Summary Authorizes local boards of education to assess a fee of up to \$45.00 per participant in a driver education course.

Section: 31.29

Title: **TRANSPORTATION/DIVISION OF MOTOR VEHICLES BULK DATA**

Summary Establishes a fee of \$.03 per partial registration, license, or accident/crash report data record downloaded by third parties for unofficial use.

Section: 31.30

Title: **TRANSPORTATION/ FERRY DIVISION TOLLING**

Summary Requires the Board of Transportation to toll an additional two ferry routes no later than April 1, 2012. Hatteras/Ocracoke and Knotts Island/Currituck will NOT be tolled. Bayview/Aurora and Cherry Branch/Minnesott Beach ferry routes will add tolls. Tolling rates should consider the needs of commuters and other frequent passengers.

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

Statewide Reserves

GENERAL FUND

	FY 11-12		FY 12-13	
Recommended Budget	\$747,761,563		\$747,761,563	
Legislative Changes				
A. Employee Benefits				
1 Severance Expenditure Reserve				
Provides funding for severance salary continuation payments and health benefit coverage under the State Health Plan for employees reduced-in-force. (S.L. 2011-145, Sec.29.21)	\$69,000,000	NR		
2 Comprehensive Review of Public Employee Compensation Plans				
Provides funding for a comprehensive review of public employee compensation plans as directed by this Act. (S.L. 2011-145, Sec.29.20)	\$2,000,000	NR		
3 Compensation Adjustment and Performance Pay Reserve			\$121,105,840	R
Provides funding for labor market and equity salary increases and funding for performance-based pay plans to effectuate recommendations made in connection with the comprehensive review and reform of public employee compensation plans. (S.L. 2011-145, Sec.29.20A)				
4 State Retirement System Contributions	\$248,100,000	R	\$336,000,000	R
Increases the State's contribution to the Teachers' and State Employees' Retirement System for the 2011-2013 biennium to fund the Annual Required Contribution. (S.L. 2011-145, Sec.29.22)				
5 Judicial Retirement System Contributions	\$6,800,000	R	\$7,800,000	R
Increases the State's contribution to the Consolidated Judicial Retirement System for the 2011-2013 biennium to fund the Annual Required Contribution. (S.L. 2011-145, Sec.29.22)				
6 Firemen's and Rescue Squad Workers' Pension Fund Contributions	\$4,318,042	R	\$5,366,928	R
Increases contributions to the Firemen's and Rescue Squad Workers' Pension Fund for the 2011-2013 biennium to fund the Annual Required Contribution. (S.L. 2011-145, Sec.29.22)				
7 State Health Plan	\$7,119,541	R	\$102,151,104	R
Provides additional funding to continue health benefit coverage for enrolled active and retired employees supported by the General Fund for the FY 2011-13 biennium. (S.L. 2011-85, S.L. 2011-96; S.L.2011-145, Sec. 29.22)				

B. Other Reserves

8 Job Development Investment Grants Reserve

Reduces the funding for Job Development Investment Grants to amount needed to meet projected needs for FY 2011-12 grant payments. (\$12,000,000) NR

9 Reserve for Controller Support for Automated Fraud Detection

Provides funding to support the planning, development, and implementation of an automated fraud detection system by the Office of the State Controller. \$500,000 NR \$500,000 NR

10 Reserve for Automated Fraud Detection Development

Provides funding to the Office of the State Controller to engage the services of a qualified vendor to plan, develop, and implement an enterprise-level, automated fraud detection system. \$1,000,000 NR \$7,000,000 NR

11 Information Technology Fund

Eliminates funds for five positions from the IT Fund and adds two positions for the Criminal Justice Information Network. Provides funding for enterprise-level information technology operation and projects. Shifts enterprise identity management, plus email consolidation, information technology procurement, and archiving to agency fees. Begins process of shifting responsibility for enterprise agreements to participating agencies. (\$1,537,574) R \$162,426 R
(\$1,844,284) NR (\$1,844,284) NR
-3.00 -3.00

12 Continuation/Justification Review Reserve

Creates a reserve to reinstate budgets of programs being reviewed by the General Assembly's Fiscal Research Division (Justification Reviews) or state agencies (Continuation Reviews). The FY 2012-13 budgets for programs under review have been eliminated. The General Assembly in the 2012 Session will determine whether to restore funding based on the results of these reviews. \$35,576,758 NR

C. Debt Service

13 Adjust Debt Service Payments

Adjusts debt service appropriations based on updated cash flow requirements. (\$9,567,995) R \$76,853,698 R

14 Adjust Debt Service - Canceled Projects

Adjusts debt service appropriations due to the cancellation of projects in S.L. 2011-66, S.B. 464 (Debt Reduction Act of 2011). (\$7,380,000) R (\$22,773,907) R

Total Legislative Changes

\$247,852,014 R

\$626,666,089 R

\$58,655,716 NR

\$41,232,474 NR

Total Position Changes

-3.00

-3.00

Revised Budget

\$1,054,269,293

\$1,415,660,126

Special Provisions

2011 Session: HB 22

Department: Availability and Appropriations

Section: 1

Title: **MODIFY GENERAL FUND CURRENT OPERATIONS BUDGET**

Summary: Amends Section 2.1 in S. L. 2011-145 to adjust the appropriations of several State agencies.

Section: 2.(a)

Title: **MODIFY GENERAL FUND AVAILABILITY STATEMENT**

Summary: Amends S.L. 2011-145, Sec. 2.2(a) to modify the General Fund Availability Statement. The earmark for the Repair and Renovations Reserve Account was reduced by \$500,000 and General Fund appropriations in FY 2011-12 were increased by \$500,000 in FY 2011-12.

Section: 2.(b)

Title: **REDUCE REPAIRS AND RENOVATIONS RESERVE ACCOUNT**

Summary: Amends Section 2.2(k) in Session Law 2011-145 to reduce from \$125 million to \$124.5 million the amount that the State Controller is mandated to transfer from the unreserved fund balance to the Repairs and Renovations Reserve Account on June 30, 2011.

Section: 3

Title: **MODIFY HIGHWAY FUND CURRENT OPERATIONS BUDGET**

Summary: Amends Section 3.1 in Session Law 2011-145 to modify two appropriations in the Highway Fund for Current Operations for FY 2012-13.

Section: 4

Title: **MODIFY LOTTERY PROVISION**

Summary: Amends S.L. 2011-145, Sec. 5.4 (Lottery provision) to provide that a county may use monies in the Public School Building Capital Fund to retire indebtedness incurred for school construction projects.

Section: 5

Title: **CLARIFY WHEN CERTIFIED BUDGET MAY BE AMENDED**

Summary: Amends S.L. 2011-145, Sec. 6.1(b) to add "funds authorized by GS 116-30A and GS 116-40.22(c)" to the specified list of reasons the Director of the Budget can modify the certified budget.

Section: 6

Title: **EXPAND USES OF CONTINGENCY AND EMERGENCY FUND**

Summary: Amends Section 6.2 in Session Law 2011-145 to expand the permitted uses for funds appropriated to the Contingency and Emergency Fund to include use (1) by the State Treasurer to pay death benefits for law enforcement officers killed in the line of duty, (2) by the Industrial Commission for supplemental awards of compensation, (3) by the Department of Justice for legal fees, and (4) by the Governor for crime rewards.

Section: 7.(a)

Title: **ADD HEALTH AND WELLNESS TRUST FUND GRANTEE**

2011 Annotated Conference Committee Report

Summary: Amends Section 6.11(b) in Session Law 2011-145 to add Roanoke Chowan CHC Telehealth Network to the list of eligible grantees for grants funded in that section.

Section: 7(b)

Title: **CLARIFY DEPOSIT OF MASTER SETTLEMENT AGREEMENT FUNDS**

Summary: Amends Section 6.11(d) in Session Law 2011-145 to specify that certain monies paid into the NC State Specific Account that would have been transferred to The Golden L.E.A.F, Inc. or to designated trust funds must be deposited in the Settlement Reserve Fund and transferred to nontax Budget Code 19878.

Section: 7(c)

Title: **REPEAL MASTER SETTLEMENT AGREEMENT PROVISIONS**

Summary: Repeals Sections 6.11(e) and (f) in Session Law 2011-145 dealing with Master Settlement Account (MSA) payments.

Section: 8

Title: **PROHIBIT TRANSFER OF MASTER SETTLEMENT AGREEMENT FUNDS TO THE HEALTH AND WELLNESS TRUST FUND**

Summary: Adds Section 6.11A to Session Law 2011-145 to prohibit transferring funds from the Master Settlement Account (MSA) to the Health and Wellness Trust Fund. The cash balance from MSA payments as of June 30, 2011, in the amount of \$32,904,411, must be deposited into the State's General Fund to support health-related activities under Section 6.11 of this act.

Section: 9

Title: **EXPAND TORNADO ASSISTANCE TO TYRELL COUNTY**

Summary: Amends Section 6.14 in Session Law 2011-145 to add Tyrrell County to the counties identified by the General Assembly as suffering the most extensive damage as a result of inclement weather on April 16, 2011, and includes Tyrrell among those counties to receive matching funds from the state to aid them in addressing the loss and damage.

Section: 10

Title: **LOTTERY COMMISSIONERS**

Summary: Adds Section 6.18 to Session Law 2011-145 to require a member of the Lottery Commission to vacate his office if he seeks public office.

2011 Session: HB 200

Department: Availability and Appropriations

Section: 1.1

Title: **TITLE**

Summary: Sets the title of S.L. 2011-145, Current Operations and Capital Improvements Act of 2011.

Section: 1.2

Title: **INTRODUCTION**

Summary: Directs that the amounts appropriated in the budget are maximum and savings shall revert to the appropriate fund at the end of each fiscal year.

Availability and Appropriations

2011 Annotated Conference Committee Report

Section: 2.1

Title: **CURRENT OPERATIONS AND EXPANSION/GENERAL FUND**

Summary: Establishes the budgeted amounts for state departments for the FY 2011-13 biennium.

(S.L 2011-395, H.B. 344 "Tax Credit for Children with Disabilities" amends this provision, changing the appropriated amount for the Department of Public Instruction).

(S.L 2011-340, S.B. 409, Global Transpark Reform and Loan Repayment, amends this provision, changing the appropriated amount for the University of North Carolina and adding a \$17.5 million payment to the Escheat Fund.)

Section: 2.2

Title: **GENERAL FUND AVAILABILITY STATEMENT**

Summary: States the general purpose revenue and other funds available to support appropriations made in Sec. 2.1 for the biennium.

Subsection (b) establishes the amount to be transferred from the Highway Trust Fund to the General Fund for the biennium.

Subsection (c) transfers corporate income tax funds for the biennium (\$72,110,000 for FY 2011-12 and \$74,750,000 for FY 2012-13). These are non-recurring transfers.

Subsections (d,f,g,h,i and n) transfer funds from special revenue and enterprise funds as follows:

- E-Commerce Reserve - \$4,483,526
- Commerce Enterprise Fund - \$500,000
- Mercury Prevention Pollution Fund - \$250,000
- Scrap Tire Disposal Account - \$2,268,989
- White Goods Management Account - \$1,951,465
- Parks and Recreation Trust Fund - \$8,435,000
- Natural Heritage Trust Fund - \$8,000,000
- NC Flex FICA Funds - \$1,000,000

Subsection (e) intercepts and transfers Golden L.E.A.F. funds to the General Fund. These funds are diverted on a non-recurring basis for two years.

Subsections (j) and (k) appropriate \$125,000,000 of the unappropriated balance for FY 2010-11 for Medicaid costs associated with receipts generated in FY 2009-10. The Director of the Budget is required to report to Governmental Operations and Fiscal Research on the amount of funds used no later than 30 days after payment.

Subsection (l) appropriates funds for the Repair and Renovations Reserve Account.

Subsection (m) transfers funds to the Savings Reserve Account. S.L. 2011-345, H.B. 344 "Tax Credit for Children with Disabilities," reduced the amount to be transferred from \$185,000,000 to \$183,650,000.

Section: 3.1

Title: **CURRENT OPERATIONS AND EXPANSION / HIGHWAY FUND**

Summary: Establishes the Highway Fund budget for the FY 2011-13 biennium.

Section: 3.2

Availability and Appropriations

Title: **HIGHWAY FUND AVAILABILITY STATEMENT**

Summary: States the funding used in developing the FY 2011-13 biennial budget for the Highway Fund.

Section: 4.1

Title: **HIGHWAY TRUST FUND APPROPRIATIONS**

Summary: Establishes the Highway Trust Fund budget for the FY 2011-13 biennium for the Department of Transportation.

Section: 4.2

Title: **HIGHWAY TRUST FUND AVAILABILITY STATEMENT**

Summary: States the funding used in developing the FY 2011-13 biennial budget for the Highway Trust Fund

Section: 5.1

Title: **APPROPRIATION OF OTHER FUNDS**

Summary: Places the following requirements on the budget:

Subsection (a) appropriates cash balances and receipts up to the amounts specified for FY 2011-12 and FY 2012-13. Funds may be expended only for the programs, purposes, objects, and line items or as otherwise authorized by the General Assembly.

Subsection (b) requires receipts collected in a fiscal year in excess of the amounts authorized by this section to remain unexpended and unencumbered until appropriated by the General Assembly in a subsequent fiscal year, unless the expenditure of overrealized receipts in the fiscal year in which the receipts were collected is authorized by the State Budget Act.

Subsection (c) directs the Office of State Budget and Management to report to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division within 30 days after the end of each quarter on any overrealized receipts approved for expenditure by the Governor.

Subsection (d) appropriates from the Reserve for Reimbursements to Local Governments and Shared Tax Revenues for each fiscal year an amount equal to the amount of the distributions required by law to be made from that reserve for that fiscal year.

Section: 5.2

Title: **OTHER RECEIPTS FROM PENDING GRANT AWARDS**

Summary: Places the following restrictions on grant funds:

Subsection (a) authorizes State agencies, with approval of the Governor and after consultation with the Joint Legislative Commission on Governmental Operations, to spend funds received from grants awarded subsequent to the enactment of this Act.

Subsection (b) directs the Office of State Budget and Management (OSBM) to work with State agencies to budget grant awards. OSBM must consult with the Joint Legislative Commission on Governmental Operations before expending any funds received from grant awards.

Subsection (c) prohibits any State agency from accepting a grant not anticipated in this act if acceptance of the grant would obligate the State to make future expenditures relating to the program receiving the grant.

Section: 5.3

Title: **CIVIL FORFEITURE FUNDS**

Availability and Appropriations

2011 Annotated Conference Committee Report

Summary: Appropriates \$138.4 million in Civil Penalty and Forfeiture Fund revenue in each year of the FY 2011-13 biennium to the School Technology Fund and the State Public School Fund.

Section: 5.4

Title: **EDUCATION LOTTERY**

Summary: Appropriates funds from the State Lottery Fund.
Subsections (a) and (b) transfer \$425 million from the State Lottery Fund to the General Fund in FY 2011-12 to support the following programs:

Teachers in Early Grades
Prekindergarten Program
Public School Building Capital Fund
Scholarships for Needy Children
UNC Need Based Financial Aid

Subsection (c) prohibits the North Carolina State Lottery Commission from transferring funds to the Education Lottery Reserve Fund for FY 2011-12 or FY 2012-13.

Subsection (d) allocates funds appropriated to the Public School Building Capital Fund to counties on the basis of average daily membership (ADM).

Subsection (e) specifies that funds for University of North Carolina (UNC) Need Based Financial Aid will be administered in accordance with the policy adopted by the UNC Board of Governors.

Subsection (f) states that if the actual net lottery revenues for FY 2011-12 exceed the amounts appropriated, then the excess net lottery revenues will be allocated for school capital on the basis of average daily membership.

Subsection (g) states that scholarships for needy students shall be used only for students at UNC and the Community College System.

Section: 6.1

Title: **CLARIFY CERTIFIED BUDGET**

Summary: Clarifies that the certified budget for each State agency shall equal the total appropriations enacted by the General Assembly plus the allocation of funds set out in reserves and government reorganizations. All other budget modifications shall made to the authorized budget.

Section: 6.2

Title: **CONTINGENCY AND EMERGENCY FUND LIMITATION**

Summary: Limits the use of funds appropriated to the Contingency and Emergency Fund to only expenditures required by a court or Industrial Commission order or to respond to events as authorized under the NC Emergency Management Act of 1977.

Section: 6.3

Title: **ESTABLISHING OR INCREASING FEES UNDER THIS ACT**

Summary: Provides that an agency is not required to consult with the Joint Legislative Commission on Governmental Operations prior to establishing or increasing a fee as authorized or anticipated in this Act. Additionally, Subsection (b) permits agencies to adopt emergency rules to establish or increase fees authorized by this Act.

Section: 6.4

2011 Annotated Conference Committee Report

Title: **CONSULTATION REQUIRED BEFORE CREATION OF NEW FUNDS**

Summary: Requires the Office of State Budget and Management and the Office of the State Controller to consult with the Joint Legislative Commission on Governmental Operations before establishing a new fund.

Section: 6.5

Title: **INTERIM APPROPRIATIONS COMMITTEES/ MEETINGS/CONSULTATION BY GOVERNOR**

Summary: Authorizes the House and Senate Appropriations Committees to meet monthly between legislative sessions to examine and oversee state agencies' execution and administration of the budget. The Governor must consult with the Appropriation Committees prior to certain events and expenditures.

Section: 6.6

Title: **JUSTIFICATION/OPERATIONAL REVIEWS**

Summary: Requires the Fiscal Research Division to perform Justification Reviews on the following State programs:

- Lumberton Southeastern Agricultural Center and Farmer's Market,
- DENR Regional Offices,
- DHHS postsecondary education programs, and
- Environmental rating scales contract.

The Fiscal Research Division must report to the House and Senate Appropriations Committees by May 1, 2012.

Section: 6.7

Title: **CONTINUATION REVIEW OF CERTAIN FUNDS/PROGRAMS/DIVISIONS**

Summary: Requires the following programs to submit a continuation review report to the Fiscal Research Division by December 1, 2011:

- Family Court (Judicial),
- Center for Public Television (UNC),
- Office of Science and Technology (Commerce),
- Conservation Education (Wildlife Resources Commission),
- Division of Information Resource Management (HHS),
- General Assembly Facility Services, and
- Division of Motor Vehicles Drivers License Program (DOT)

Section: 6.8

Title: **STATE GOVERNMENT REORGANIZATION**

Summary: Requires the Joint Legislative Commission on Governmental Operations to study the feasibility of creating a single department to support State departments, agencies, and offices with services, including human resource management, information technology, purchasing, and budget and financial management. The Commission shall report its findings and recommendations to the House and Senate Appropriations Committees by the convening of the 2012 Regular Session of the 2011 General Assembly.

Section: 6.9

Title: **UTILIZATION REVIEW/PUBLIC SCHOOLS AND PUBLIC HEALTH NURSES**

Summary: Requires the Fiscal Research Division to review all publicly-funded public school nurse positions to determine the most effective and cost efficient ways to provide nursing services to public school students. The Fiscal Research Division shall report to the House and Senate Appropriations Committees by May 1, 2012.

2011 Annotated Conference Committee Report

Section: 6.10

Title: **GLOBAL TRANSPARK DEBT, REPORT, AND STUDY**

Summary: Extends the date of final maturity of the Escheat Fund loan to the GlobalTrans Park Authority from October 1, 2011 to October 1, 2012. The General Assembly's Program Evaluation Division is required to study the feasibility of transferring the Global TransPark Authority or its functions to another State agency.

(S.L 2011-340,S.B. 409, Global Transpark Reform and Loan Repayment, repealed this section but extended the maturity date of the Escheat Fund loan to October 1, 2012.)

Section: 6.11

Title: **HEALTH AND WELLNESS TRUST FUND AND TOBACCO TRUST FUND/FUTURE MSA PAYMENTS**

Summary: Abolishes the Health and Wellness Trust Fund and the Health and Wellness Trust Fund Commission effective August 14, 2011 and reallocates funds under the Master Settlement Agreement as follows: 50% to the nonprofit corporation as provided by the Consent Decree (Golden L.E.A.F.); and 50% to the following:

1)Debt service authorized by the State Capital Facilities Act of 2004, Part 1 of SL 2004-179 and SL 2004-124,

2)\$8 million as credited to Budget Code 69430 to be transferred to the University Cancer Research Fund, and

3)The balance to the General Fund to be used for specified purposes.

The Department of Health and Human Services will administer \$22 million in encumbered Health and Wellness Trust Fund grants until their completion during FY 2011-12.

The Tobacco Trust Fund Commission remains an independent entity and is provided a \$2 million nonrecurring General Fund appropriation, distributed through the Department of Agriculture and Consumer Services, for FY 2011-12 and FY 2012-13.

Section: 6.13

Title: **CONSOLIDATION OF AIR SERVICES AND CENTRALIZATION OF AIR MANAGEMENT/STATE-OWNED PASSENGER AND NON-PASSENGER VEHICLES**

Summary: Requires the Program Evaluation Division (PED) to (1) evaluate the consolidation of air services provided by the Department of Transportation, the State Bureau of Investigation, and the University of North Carolina Passenger Mission and make recommendations; (2) study the formation of an Aviation Management Authority; and (3) study all passenger and non-passenger vehicles owned and operated by all state government departments, institutions, and entities. PED shall report to the Joint Legislative Program Evaluation Oversight Committee by May 1, 2012.

Section: 6.14

Title: **TORNADO ASSISTANCE**

Summary: Expresses the General Assembly's intent to provide State matching funds to the 18 counties affected by the April 16, 2011 storms to help mitigate losses, rebuild infrastructure, and aid citizens and businesses.

Section: 6.15

Title: **STATE-OWNED DISPOSABLE ASSETS**

2011 Annotated Conference Committee Report

Summary: Requires the Department of Administration (DOA) to examine State-owned land, buildings, and other assets to determine if they are unused, underused, or do not involve a core function of government. DOA shall develop criteria to be considered prior to the sale of an asset, determine whether the highest and best use is being made of the asset, and examine current law to determine amendments to allow for the most efficient and effective disposition of assets. DOA must report all sold assets to the General Assembly by March 31, 2012.

Section: 6.16

Title: **UNEMPLOYMENT INSURANCE/IMPLEMENT THREE-YEAR LOOK BACK**

Summary: Allows extended benefits to be paid under the Federal Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 so long as the payment of benefits does not hinder the State's ability to reduce its federal debt incurred to pay for the extended benefits. This section is effective April 16, 2011, but expires on January 1, 2012.

CAPITAL

Section M

Capital

GENERAL FUND

FY 11-12

FY 12-13

Department of Environment and Natural Resources

1 Water Resources Development Projects

Provides funds for the State's share of Water Resources Development Projects. Funds will provide a State match for \$23,449,000 in federal funds. Projects are specified in a special provision. (S.L. 2011-145, Sec. 30.3)

\$4,535,000 NR

Total Appropriation to Capital

\$4,535,000 NR

Special Provisions

2011 Session: HB 22

Department: Capital

Section: 60

Title: **TECHNICAL CHANGE: REPAIRS AND RENOVATIONS RESERVE ALLOCATION**

Summary Amends Sec. 30.5 of S.L. 2011-145 to conform Sec. 30.5 to Sec. 30.11.

Section: 61

Title: **TECHNICAL CHANGE: PROCEDURES FOR DISBURSEMENT OF CAPITAL FUNDS**

Summary Amends S.L 2011-145 and removes a reporting requirement for the University of North Carolina Non-General Fund Projects. Such projects already have a reporting requirement under G.S. 116D.

2011 Session: HB 200

Department: Capital

Section: 30.1

Title: **GENERAL FUND CAPITAL APPROPRIATIONS/INTRODUCTION**

Summary Boiler plate provision regarding the appropriation of capital funds.

Section: 30.2

Title: **CAPITAL APPROPRIATIONS/GENERAL FUND**

Summary Appropriates \$4,535,000 from the General Fund for Water Resources Development Projects.

Section: 30.3

Title: **WATER RESOURCES DEVELOPMENT PROJECTS**

Summary 30.3(a): Lists the 20 individual Water Resources Development Projects.

30.3(b) The Department of Environment and Natural Resources (DENR) is given flexibility to allocate money amongst projects to manage costs. If the listed projects are delayed, DENR is also allowed to spend funds on US Army Corps of Engineers project feasibility studies and projects that have advanced schedules and require a State match. DENR may also use funding on State and local water resources development projects.

30.3(c): DENR is required to make semi-annual reports to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management.

30.3(d): DENR may fund at most 50% of the nonfederal portion of a project's cost.

30.3(e) Amends G.S.. 143-215.73A and requires that DENR provide information annually to local governments regarding the availability, requirements, and process to secure federal and State Water Resources Development funding.

Section: 30.4

Title: **NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS**

Summary Appropriates \$31,294,400 for projects across State agencies that are to be funded entirely with non-General Fund dollars. Also allocates \$50,000 from the State Treasurer to the Department of Agriculture and Consumer Services for the plant conservation program.

Section: 30.5

Title: **REPAIRS AND RENOVATIONS RESERVE ALLOCATION**

Summary Allocates funding for the Repairs and Renovation Reserve. The Office of State Budget and Management will receive 50% of funds to be allocated amongst the General Fund supported State Agencies. The University of North Carolina will receive 50% of funds to be allocated across the campuses.

Section: 30.6

Title: **PROCEDURES FOR THE DISBURSEMENT OF CAPITAL FUNDS**

Summary Establishes procedures for the disbursement of capital funds authorized by the 2011 General Assembly.

Section: 30.7

Title: **UNC NON-GENERAL FUND CAPITAL PROJECTS**

Summary Authorizes and appropriates approximately \$558.7 million in capital projects across the University of North Carolina system to be financed from non-General Fund sources.

Section: 30.9

Title: **VANCE-GRANVILLE COMMUNITY COLLEGE BOND FUNDS**

Summary Allows Vance-Granville Community College to reallocate funds from S.L. 2000-3 (Higher Education Bonds) from an area outside of the main campus to an area inside the main campus. (S.L. 2011-391, 2011 Budget Technical Corrections)

Section: 30.10

Title: **ALLOW THE UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS TO APPROVE THE PLANNING, AUTHORIZATION, AND FUNDING OF CAPITAL PROJECTS FROM NON-GENERAL FUND SOURCES**

Summary Amends G.S. 143C-8-12 and allows the Board of Governors of the University of North Carolina to approve projects that will be funded entirely with non-General Fund money without approval from the Director of the Budget (Office of State Budget and Management) or consultation with the Joint Legislative Commission on Governmental Operations. The University of North Carolina will be required to report all approvals to the Office of State Budget and Management and the Joint Legislative Commission on Governmental Operations. (S.B. 575)

Section: 30.11

Title: **AUTHORIZE THE UNIVERSITY OF NORTH CAROLINA BOARD OF GOVERNORS TO ALLOCATE OR REALLOCATE FUNDS TO REPAIRS AND RENOVATIONS PROJECTS**

Summary Amends G.S. 143C-4-3 and allows the Board of Governors of the University of North Carolina to allocate or reallocate any funds allocated to the Reserve for Repair and Renovation, and report any such actions to the Joint Legislative Commission on Governmental Operations. (S.B. 575)

Section: 30.12

Title: **WAIVE THE REQUIREMENT FOR A CAPITAL PROJECT FEASIBILITY DETERMINATION FOR CAPITAL PROJECTS OF THE UNIVERSITY OF NORTH CAROLINA FOR WHICH ADVANCE PLANNING HAS NOT BEEN UNDERTAKEN**

Summary Amends G.S. 143C-3-3 and allows the University of North Carolina to request capital project funding without a feasibility determination. (S.B. 575)

Section: 30.13

Title: **JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON CAPITAL IMPROVEMENTS SHALL EXAMINE ADEQUACY OF PLANNING FOR LONG-TERM STATE CAPITAL NEEDS**

Summary Requires the Joint Legislative Oversight Committee on Capital Improvements to examine capital planning, State and agency capital improvement priorities, needs for repair and renovations, and priority setting by the University of North Carolina Board of Governors.

Section:

Title: **S.L. 2011-66 (S.B. 464) Debt Reduction Act of 2011**

Summary Cancels a variety of Special Indebtedness projects authorized in previous session laws. \$120 million in Repair and Renovations authorized in 2010 is canceled. \$55 million in equipment purchases at the University of North Carolina and Community Colleges authorized in 2010 is canceled. The Horse Park of the South at North Carolina Agricultural and Technical State University in Rockingham County authorized in 2008 is canceled. \$40 million in land purchased by the Department of Environment and Natural Resources authorized in 2008 is canceled. \$15 million in land purchased at the University of North Carolina authorized in 2008 is canceled.

INFORMATION TECHNOLOGY

Section N

Information Technology Fund

Budget Code: 24467

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$792,000	\$0
Recommended Budget		
Requirements	\$5,685,609	\$7,485,609
Receipts	\$4,458,142	\$6,158,142
Positions	35.00	35.00

Legislative Changes**Requirements:****Center for Geographic Information and Analysis**

Provides funding to support the operations of the Center for Geographic Information and Analysis (CGIA), located in the Office of the State Chief Information Officer. The CGIA is the lead agency for geographic information systems (GIS) services and GIS coordination for the State of North Carolina. CGIA provides GIS services to state and local governments as well as the private sector. Two positions are eliminated, 60036161 and 60036176, for a total savings of \$140,653.

\$599,347 R

\$599,347 R

\$0 NR

\$0 NR

-2.00

-2.00

Enterprise Security and Risk Management Office

Provides funding to support the operation of the Enterprise Security and Risk Management Office (ESRMO) in the Office of the State Chief Information Officer. The ESRMO supports the development, delivery, and maintenance of an information security and risk management program that safeguards the state's information assets and the supporting infrastructure against unauthorized use, disclosure, modification, damage or loss. Reduces position cost with retirement and replacement, resulting in savings of \$37,148. (S.L. 2011-145, Sec. 6A.1)

\$864,148 R

\$864,148 R

\$0 NR

\$0 NR

0.00

0.00

2011 Annotated Committee Report

	FY 2011-12		FY 2012-13	
Enterprise Project Management Office	\$1,473,285	R	\$1,473,285	R
Provides funding to support the operation of the Enterprise Project Management Office (EPMO). The EPMO is responsible for coordinating and standardizing the management of IT projects over their life cycle, to include providing oversight during the design, development, and implementation process. Eliminates one position, 60087262, for a reduction of \$121,715. (S.L. 2011-145, Sec. 6A.1)	\$0	NR	\$0	NR
	-1.00		-1.00	
Architecture and Engineering	\$581,986	R	\$581,986	R
Provides funding to support the State Chief Information Officer's efforts to establish and maintain statewide information technology standards, and to design technical solutions for executive branch agencies, as well as local governments, public libraries, and K-20 organizations. (S.L. 2011-145, Sec. 6A.1)	\$0	NR	\$0	NR
	0.00		0.00	
Statewide Information Technology Procurement	(\$550,000)	R	(\$550,000)	R
Allows the Statewide Information Technology Procurement Office to charge a fee to make up a \$550,000 shortfall resulting from a reduction in supplemental staffing contracts. In the past, a 4.5% fee on information technology contracts has funded the Office. Reductions in supplemental staffing contracts have reduced the amount received from this fee. (S.L. 2011-145, Sec. 6A.16)	\$0	NR	\$0	NR
	0.00		0.00	
State Portal	(\$500,000)	R	(\$500,000)	R
Eliminates appropriation for the State Portal. The State Portal was funded at \$500,000 last year, but the Department of Administration is converting it to a fee-supported function. (S.L. 2011-145, Sec. 6A.10)	\$0	NR	\$0	NR
	0.00		0.00	
State Web Site	\$0	R	\$0	R
Provides funding support to be used only for the State's current nc.gov website.	\$100,000	NR	\$0	NR
	0.00		0.00	

	FY 2011-12		FY 2012-13	
Information Technology Consolidation	\$776,440	R	\$784,440	R
Provides funding for IT Consolidation to continue the State's efforts to consolidate information technology infrastructure within State agencies, coordinating the use of information technology infrastructure by focusing on the consolidation of local area network, voice, data center (servers), security, desktop, and service desk operations and services. Also begins the process of consolidating applications within the State. Eliminates two positions, 60087232 and 65000717, for a total savings of \$218,201. (S.L. 2011-145, Sec. 6A.1)	\$0	NR	\$0	NR
	-2.00		-2.00	
Data Integration License Transfer to Agencies	\$0	R	\$0	R
Transfers, as required by S.L. 2010-31, funding for data integration licenses from the Office of the State Chief Information Officer to State agencies using the licenses. The State Chief Information Officer is required to complete this transfer by September 1 of each State fiscal year and to report to the General Assembly upon completion of the transfer. (S.L. 2011-145, Sec. 6A.1)	\$200,000	NR	\$1,200,000	NR
	0.00		0.00	
Criminal Justice Information Network	\$166,422	R	\$166,422	R
Provides funding to move two positions, 60084125 and 60084100, to the Office of the State Chief Information Officer from the Department of Crime Control and Public Safety. The Criminal Justice Information Network is responsible for providing the governmental and technical information systems necessary for accomplishing State and local governmental public safety and justice functions in the most efficient manner by appropriately and efficiently sharing criminal justice and juvenile justice information among law enforcement, judicial, and corrections agencies. (S.L. 2011-145, Sec. 6A.4)	\$0	NR	\$0	NR
	2.00		2.00	
Transfer to OSC for E Forms Initiative	\$500,000	R	\$500,000	R
Transfers \$500,000 from the Office of the State Chief Information Officer to the Office of the State Controller to support the planning and development of an enterprise e forms and digital signatures initiative. (S.L. 2011-145, Sec. 6A.18)	\$0	NR	\$0	NR
	0.00		0.00	

2011 Annotated Committee Report

	FY 2011-12		FY 2012-13	
Transfer IT Analyst Funding to OSBM	\$105,000	R	\$105,000	R
Transfers funding from the Office of the State Chief Information Officer to the Office of State Budget and Management to be used only for the salary and benefits of an Information Technology Analyst for the Office of State Budget and Management.	\$0	NR	\$0	NR
	0.00		0.00	
Information Technology Fund Adjustment	\$0	R	\$0	R
Reduces appropriations to reflect adjustments in General Fund expenditures and receipts, and the use of the Unreserved Fund Balance.	(\$4,635,609)	NR	(\$6,435,609)	NR
	0.00		0.00	
Subtotal Legislative Changes	\$4,016,628	R	\$4,024,628	R
	(\$4,335,609)	NR	(\$5,235,609)	NR
	-3.00		-3.00	

Receipts:

Information Technology Fund Interest	\$25,000	R	\$25,000	R
Accounts for the interest generated by the balance in the Information Technology Fund. (S.L. 2011-145, Sec. 6A.1)	\$0	NR	\$0	NR
ITS Overhead	\$91,486	R	\$91,486	R
Reduces overhead billed to support the Office of Information Technology Services, based on rate reductions projected for the next State fiscal year. (S.L. 2011-145, Sec. 6A.1)	\$0	NR	\$0	NR
Subtotal Legislative Changes	\$116,486	R	\$116,486	R
	\$0	NR	\$0	NR

	FY 2011-12	FY 2012-13
Revised Total Requirements	\$5,366,628	\$6,274,628
Revised Total Receipts	\$4,574,628	\$6,274,628
Change in Fund Balance	(\$792,000)	\$0
Total Positions	32.00	32.00
Ending Unreserved Fund Balance	\$0	\$0

Information Technology Internal Service Fund

Budget Code: 74660

	FY 2011-12	FY 2012-13
Beginning Unreserved Fund Balance	\$32,445,864	\$32,445,864
Recommended Budget		
Requirements	\$196,263,192	\$196,263,192
Receipts	\$196,263,192	\$196,263,192
Positions	592.00	592.00

Legislative Changes**Requirements:****Reduction to IT Internal Service Fund**

Requires the Office of the State Chief Information Officer and the Office of Information Technology Services to limit requirements for the Information Technology Internal Service Fund to \$190,000,000 each State fiscal year, and eliminates 61 positions, to include position numbers 60087678, 60087377, 60087386, 60087436, 60089620, 60090531, 60087478, 60093461, 60087389, 60087453, 65010101, 60087464, 60087472, 60087488, 60087490, 60090526, 60087530, 60087624, 60087512, 60087606, 60087532, 60093453, 65000536, 60087605, 60089810, 60087652, 60087648, 60087520, 60087674, 65010102, 60087727, 60087553, 65005226, 65000702, 65010802, 65010803, 60089805, 60087580, 60087726, 60089804, 60087413, 60087440, 60087414, 60087322, 60093458, 60087227, 60087230, 60087234, 60087246, 60087314, 60087299, 60087286, 60087239, 60087710, 60089801, 60087445, 60089785, 65000706, 60087586, 60087533, 60087544. (S.L. 2011-145, Sec. 6A.8)

\$0 R
 (\$6,263,192) NR
 -61.00

\$0 R
 (\$6,263,192) NR
 -61.00

Subtotal Legislative Changes

\$0 R
 (\$6,263,192) NR
 -61.00

\$0 R
 (\$6,263,192) NR
 -61.00

	FY 2011-12	FY 2012-13
Receipts:		
Receipts for Internal Service Fund	\$0 R	\$0 R
Reduces receipts to Information Technology Internal Service Fund to reflect requirements. (S.L. 2011-145, Sec. 6A.8)	(\$6,263,192) NR	(\$6,263,192) NR
Subtotal Legislative Changes	\$0 R (\$6,263,192) NR	\$0 R (\$6,263,192) NR
<hr/>		
Revised Total Requirements	\$190,000,000	\$190,000,000
Revised Total Receipts	\$190,000,000	\$190,000,000
Change in Fund Balance	\$0	\$0
Total Positions	531.00	531.00
<hr/>		
Ending Unreserved Fund Balance	\$32,445,864	\$32,445,864

Special Provisions

2011 Session: HB 200

Department: Information Technology

Section: 6A.1

Title: **INFORMATION TECHNOLOGY FUND/AVAILABILITY**

Summary Establishes and limits uses of the Information Technology Fund, providing funding of \$5,275,142 in FY 2011-2012, and \$6,183,142 in FY 2012-2013.

Section: 6A.2

Title: **INFORMATION TECHNOLOGY OPERATIONS**

Summary Establishes guidelines for the development and uses of the IT Internal Service Fund. Participating agencies must agree to enterprise contracts in writing. IT projects exceeding \$250,000 must be included in the agency's IT plan, with funding appropriated by the General Assembly. When it is in the State's best interest, three year IT contracts are permitted. Agencies are required to host applications on State infrastructure unless certain exceptions are met. Service and billing provided by the State CIO and the Office of Information Technology Services are required to meet set standards.

Section: 6A.3

Title: **COORDINATION OF INFORMATION TECHNOLOGY REQUIREMENTS AND GEOGRAPHIC INFORMATION SYSTEM REQUIREMENTS**

Summary Requires the State Chief Information Officer to develop a plan and adopt measures to avoid duplication of IT capabilities and resources. The Center for Geographic Information and Analysis is required to monitor and approve Geographic Information System initiatives.

Section: 6A.4

Title: **CRIMINAL JUSTICE LAW ENFORCEMENT AUTOMATED DATA SERVICES**

Summary Continues the implementation of the Criminal Justice Law Enforcement Automated Data Services (CJLEADS), providing criminal justice and law enforcement professionals with the capability to quickly and accurately determine an individual's criminal history.

Section: 6A.5

Title: **CONTINUING PILOT PROGRAM TO ALLOW PUBLIC-PRIVATE PARTNERSHIPS TO MEET DEPARTMENT OF REVENUE TECHNOLOGY NEEDS**

Summary Continues the implementation of a new Tax Information Management System through a public-private partnership until June 30, 2015.

Section: 6A.6

Title: **INFORMATION TECHNOLOGY PERSONAL SERVICES CONTRACT REQUIREMENTS**

Summary Establishes procedures and requires reporting for State agencies using information technology personal services contractors.

Section: 6A.7

Title: **STATE INFORMATION TECHNOLOGY CONSOLIDATION**

Summary Directs the State Chief Information Officer to develop a plan for consolidating information technology infrastructure and applications, and to plan and implement an enterprise-level grants management system. The Department of Health and Human Services, in coordination with the State Chief Information Officer, is directed to develop a plan to implement a single case management system.

Section: 6A.8

Title: **ITS/INTERNAL SERVICE FUND RATE ESTABLISHMENT/CASH MANAGEMENT**

Summary Limits the Information Technology Internal Service Fund to \$190,000,000 in both State fiscal years and requires that rates support the specific service for which an agency is charged. The Office of Information Technology Services is allowed to implement rate reductions immediately following notification of the Office of State Budget and Management, instead of waiting for their approval.

Section: 6A.9

Title: **INFORMATION TECHNOLOGY PRIVATIZATION**

Summary Requires an appropriation by the General Assembly for privatization of any grouping of information technology services, or "towers," identified in the Infrastructure Study and Assessment. The State Chief Information Officer is required to develop detailed plans for any outsourcing initiative and to provide the plans to the General Assembly.

Section: 6A.10

Title: **STATE PORTAL IMPLEMENTATION AND OPERATION**

Summary Establishes planning and funding requirements for any State Portal implementation.

Section: 6A.11

Title: **TRANSFER CRIMINAL JUSTICE INFORMATION NETWORK TO THE OFFICE OF THE STATE CHIEF INFORMATION OFFICER**

Summary Transfers the Criminal Justice Information Network (CJIN) Board to the Office of the State Chief Information Officer (SCIO) for organizational and budgetary purposes only. The Board continues to exercise all of its statutory powers independent of control by the SCIO.

Section: 6A.12

Title: **INTEGRATED BUDGET INFORMATION SYSTEM**

Summary Requires submission of a plan for the development and implementation of the Office of State Budget and Management's (OSBM) Integrated Budget Information System (IBIS). OSBM is required to report on monthly on the status project's status.

Section: 6A.14

Title: **USE OF MOBILE ELECTRONIC COMMUNICATIONS DEVICES**

Summary Requires State agencies to develop plans for and to document usage of mobile electronic communications devices.

Section: 6A.15

Title: **USE OF DMV INSPECTION PROGRAM ACCOUNT FUND**

Summary Expands the uses of the Department of Transportation (DOT) Division of Motor Vehicles (DMV) Inspection Program Account Fund to include funding the replacement of the State Titling and Registration System (STARS) and the State Automated Driver License System (SADLS).

Section: 6A.16

Title: **STATEWIDE INFORMATION TECHNOLOGY PROCUREMENT**

Summary Allows the Statewide Information Technology Procurement Office to establish a fee for services provided to State agencies.

Section: 6A.17

Title: **REPLACEMENT OF THE STATE TITLING AND REGISTRATION SYSTEM (STARS) AND THE STATE AUTOMATED DRIVER LICENSE SYSTEM (SADLS)**

Summary Identifies funding for and directs the Department of Transportation Division of Motor Vehicles to begin replacement of the State Titling and Registration System (STARS) and the State Automated Driver License System (SADLS).

Section: 6A.18

Title: **ENTERPRISE ELECTRONIC FORMS AND DIGITAL SIGNATURES**

Summary Moves responsibility for electronic forms and digital signatures from the Office of the State Chief Information Officer to the Office of the State Controller. Directs the Office of the State Controller to plan, develop, and implement a coordinated enterprise electronic forms and digital signatures capability.

Section: 6A.19

Title: **EVALUATION OF STATE INFORMATION TECHNOLOGY OPERATIONS**

Summary Directs the General Assembly to conduct a detailed, comprehensive evaluation of information technology operations, infrastructure, systems, ongoing projects, and applications within State government.

Section: 6A.20

Title: **COMPREHENSIVE ENTERPRISE-LEVEL DATA INTEGRATION CAPABILITY**

Summary Requires the Office of the State Controller (OSC) to continue the development of a comprehensive enterprise-level data integration capability. OSC is directed to initiate an enterprise-level automated fraud detection system that will allow the State to identify fraud, waste, and improper payments by integrating data from multiple sources and agencies. The State is to receive a share of any intellectual property developed as a result of the automated fraud detection system development and implementation.

**SALARIES &
BENEFITS
Section O**

Statewide Reserves: 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 \$11.09 billion for FY 2011-12. Total payroll is expected to exceed \$15.58 billion, including receipts from State agencies, universities, local public schools, and community colleges.

Salary Freeze

The 2011 Session of the General Assembly maintained the freeze on most salary increases for State employees as enacted during the 2009 Session including the freeze on automatic salary increases for certain employee groups. Section 29.8 of S.L. 2011-145 as amended by Section 59A of S.L. 2011-391, 2011 Budget Technical Corrections, specifies certain exceptions to the general salary freeze and reads as rewritten:

“SALARY ADJUSTMENTS FOR SPECIAL CIRCUMSTANCES ONLY/NO AUTOMATIC INCREASES

SECTION 29.8.(a) The annual pay of all State employees for the 2011-2013 fiscal biennium shall remain unchanged from that authorized on June 30, 2011, or the last date in pay status during the 2010-2011 fiscal year, if earlier, except that an increase may be allowed under the following special circumstances:

(1) For all State employees regardless of funding source, and for employees of the North Carolina Community College System and local school boards who are paid from State funds, 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 Part. All other salary increases are prohibited.

(1a) For employees of the North Carolina Community College System, notwithstanding subdivision (1) of this subsection, salaries may be increased if the increase is funded from local funding sources.

(2) For The 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, including retention adjustments, funded from non-State funding sources.

(3) For employees of the judicial branch, for local supplementation as authorized by G.S. 7A-300.1.

The cumulative salary adjustment allowed under this subsection for the 2011-2012 fiscal year may exceed ten percent (10%) of annual salary only if the adjustment is approved in advance by the Office of State Budget and Management, The University of North Carolina Board of Governors, the Board of the North Carolina Community College System, the Legislative Services Commission, the local board of education, or other authorized body as appropriate.

SECTION 29.8.(b) The automatic salary step increases for assistant and deputy clerks of superior court and magistrates are suspended for the 2011-2013 fiscal biennium.

SECTION 29.8.(c) The salary increase provisions of G.S. 20-187.3 are suspended for the 2011-2013 fiscal biennium.

SECTION 29.8.(d) Notwithstanding G.S. 53-96.1, and except as provided by subdivision (1) of subsection (a) of this section, employees of the Office of the Commissioner of Banks shall not be awarded compensation increases or bonuses during the 2011-2013 fiscal biennium.

SECTION 29.8.(e) Employees of the Lottery Commission shall not receive compensation bonuses during the 2011-2013 fiscal biennium.

SECTION 29.8.(f) No employee of any other State agency or constituent institution of The University of North Carolina, excluding employees of the University of North Carolina Health Care System and employees participating in a constituent institution's medical faculty practice plan, shall receive compensation bonuses.”

The 2011 Session of the General Assembly also maintained the freeze on public school teacher, principal, and assistant principal salaries as enacted during the 2009 Session. Teachers, principals and assistant principals, who have gained an additional year of experience, will move up one step on the experienced based schedules but their salaries will remain the same. Tables 1 and 2 are the experience based schedules in effect for the 2011-12 Fiscal Year.

TABLE 1**FY 2011-12****Principal and Assistant Principal Base Salary Schedule**

Yrs of Exp	Classification								
	Assistant Principal	Principal I (0-10)	Principal II (11-21)	Principal III (22-32)	Principal IV (33-43)	Principal V (44-54)	Principal VI (55-65)	Principal VII (66-100)	Principal VIII (101+)
0-7	\$3,781	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8	\$3,931	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	\$4,074	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	\$4,189	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
11	\$4,243	\$4,243	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12	\$4,298	\$4,298	N/A	N/A	N/A	N/A	N/A	N/A	N/A
13	\$4,353	\$4,353	\$4,408	N/A	N/A	N/A	N/A	N/A	N/A
14	\$4,408	\$4,408	\$4,464	N/A	N/A	N/A	N/A	N/A	N/A
15	\$4,464	\$4,464	\$4,521	\$4,579	N/A	N/A	N/A	N/A	N/A
16	\$4,521	\$4,521	\$4,579	\$4,640	\$4,701	N/A	N/A	N/A	N/A
17	\$4,579	\$4,579	\$4,640	\$4,701	\$4,762	\$4,828	N/A	N/A	N/A
18	\$4,640	\$4,640	\$4,701	\$4,762	\$4,828	\$4,891	N/A	N/A	N/A
19	\$4,701	\$4,701	\$4,762	\$4,828	\$4,891	\$4,956	\$5,025	N/A	N/A
20	\$4,762	\$4,762	\$4,828	\$4,891	\$4,956	\$5,025	\$5,092	\$5,237	N/A
21	\$4,828	\$4,828	\$4,891	\$4,956	\$5,025	\$5,092	\$5,166	\$5,310	\$5,383
22	\$4,891	\$4,891	\$4,956	\$5,025	\$5,092	\$5,166	\$5,237	\$5,383	\$5,458
23	\$4,956	\$4,956	\$5,025	\$5,092	\$5,166	\$5,237	\$5,310	\$5,458	\$5,537
24	\$5,025	\$5,025	\$5,092	\$5,166	\$5,237	\$5,310	\$5,383	\$5,537	\$5,617
25	\$5,092	\$5,092	\$5,166	\$5,237	\$5,310	\$5,383	\$5,458	\$5,617	\$5,725
26	\$5,166	\$5,166	\$5,237	\$5,310	\$5,383	\$5,458	\$5,537	\$5,725	\$5,839
27	\$5,237	\$5,237	\$5,310	\$5,383	\$5,458	\$5,537	\$5,617	\$5,839	\$5,956
28	\$5,310	\$5,310	\$5,383	\$5,458	\$5,537	\$5,617	\$5,725	\$5,956	\$6,075
29	\$5,383	\$5,383	\$5,458	\$5,537	\$5,617	\$5,725	\$5,839	\$6,075	\$6,197
30	\$5,458	\$5,458	\$5,537	\$5,617	\$5,725	\$5,839	\$5,956	\$6,197	\$6,321
31	\$5,537	\$5,537	\$5,617	\$5,725	\$5,839	\$5,956	\$6,075	\$6,321	\$6,447
32	\$5,617	\$5,617	\$5,725	\$5,839	\$5,956	\$6,075	\$6,197	\$6,447	\$6,576
33	\$5,725	\$5,725	\$5,839	\$5,956	\$6,075	\$6,197	\$6,321	\$6,576	\$6,708
34	\$5,839	\$5,839	\$5,956	\$6,075	\$6,197	\$6,321	\$6,447	\$6,708	\$6,842
35	N/A	\$5,956	\$6,075	\$6,197	\$6,321	\$6,447	\$6,576	\$6,842	\$6,979
36	N/A	N/A	\$6,197	\$6,321	\$6,447	\$6,576	\$6,708	\$6,979	\$7,119
37	N/A	N/A	\$6,321	\$6,447	\$6,576	\$6,708	\$6,842	\$7,119	\$7,261
38	N/A	N/A	N/A	\$6,576	\$6,708	\$6,842	\$6,979	\$7,261	\$7,406
39	N/A	N/A	N/A	\$6,708	\$6,842	\$6,979	\$7,119	\$7,406	\$7,554
40	N/A	N/A	N/A	N/A	\$6,979	\$7,119	\$7,261	\$7,554	\$7,705
41	N/A	N/A	N/A	N/A	N/A	\$7,261	\$7,406	\$7,705	\$7,859
42	N/A	N/A	N/A	N/A	N/A	N/A	\$7,554	\$7,859	\$8,016
43	N/A	N/A	N/A	N/A	N/A	N/A	\$7,705	\$8,016	\$8,176
44	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$8,176	\$8,340

Note: Principal classification, i.e. Principal I, II, III, etc., is based upon the number of state paid teachers and assistant principals supervised.

TABLE 2

Teacher Salary Schedule

For the 2011-12 School Year

NBPTS Bonus = 12%, Master's 10.00% Higher Than Bachelor's

Years of Experience	"A" Teachers	NBPTS Certification	Years of Experience	"M" Teachers	NBPTS Certification
0	\$3,043	N/A	0	\$3,347	N/A
1	\$3,043	N/A	1	\$3,347	N/A
2	\$3,043	N/A	2	\$3,347	N/A
3	\$3,043	\$3,408	3	\$3,347	\$3,749
4	\$3,085	\$3,455	4	\$3,394	\$3,801
5	\$3,129	\$3,504	5	\$3,442	\$3,855
6	\$3,264	\$3,656	6	\$3,590	\$4,021
7	\$3,404	\$3,812	7	\$3,744	\$4,193
8	\$3,538	\$3,963	8	\$3,892	\$4,359
9	\$3,667	\$4,107	9	\$4,034	\$4,518
10	\$3,771	\$4,224	10	\$4,148	\$4,646
11	\$3,819	\$4,277	11	\$4,201	\$4,705
12	\$3,868	\$4,332	12	\$4,255	\$4,766
13	\$3,918	\$4,388	13	\$4,310	\$4,827
14	\$3,967	\$4,443	14	\$4,364	\$4,888
15	\$4,018	\$4,500	15	\$4,420	\$4,950
16	\$4,069	\$4,557	16	\$4,476	\$5,013
17	\$4,122	\$4,617	17	\$4,534	\$5,078
18	\$4,176	\$4,677	18	\$4,594	\$5,145
19	\$4,231	\$4,739	19	\$4,654	\$5,212
20	\$4,286	\$4,800	20	\$4,715	\$5,281
21	\$4,345	\$4,866	21	\$4,780	\$5,354
22	\$4,403	\$4,931	22	\$4,843	\$5,424
23	\$4,461	\$4,996	23	\$4,907	\$5,496
24	\$4,523	\$5,066	24	\$4,975	\$5,572
25	\$4,584	\$5,134	25	\$5,042	\$5,647
26	\$4,650	\$5,208	26	\$5,115	\$5,729
27	\$4,714	\$5,280	27	\$5,185	\$5,807
28	\$4,779	\$5,352	28	\$5,257	\$5,888
29	\$4,845	\$5,426	29	\$5,330	\$5,970
30	\$4,913	\$5,503	30	\$5,404	\$6,052
31	\$4,984	\$5,582	31	\$5,482	\$6,140
32	\$5,055	\$5,662	32	\$5,561	\$6,228
33	\$5,153	\$5,771	33	\$5,668	\$6,348
34+	\$5,255	\$5,886	34+	\$5,781	\$6,475

Note: Teachers are paid based upon years of experience. Those with bachelor's degrees are paid on the "A" schedule while those with master's degrees are paid on the "M" schedule. Teachers with National Board for Professional Teaching Standards certification receive a NBPTS bonus of 12% which is reflected in the NBPTS columns above.

Significant Special Provisions
Session Law 2011-145 House Bill 200

SECTION 29.18 ALL FURLOUGHS PROHIBITED EXCEPT AS ORDERED TO BALANCE THE BUDGET/BENEFITS PROTECTION FOR FURLOUGHED PERSONNEL

Prohibits the furlough of public employees unless ordered by the Governor to balance the budget or ordered by the Chief Justice or the Legislative Services Officer to balance their respective budgets and holds furloughed employees harmless as to their retirement and other benefits that normally accrue as a result of employment. In addition, the provision permits the Board of Governors of the University of North Carolina, the State Board of Community Colleges, and local public school boards of education to petition the Governor to furlough their employees in order to balance their respective budgets.

SECTION 29.19 MONITOR COMPLIANCE WITH FREEZE ON MOST SALARY INCREASES

Directs the Office of State Budget and Management and the Office of State Personnel to continue to monitor State agencies, departments and institutions, the judicial branch and the University of North Carolina relative to the compliance with the freeze on most salary increases and requires quarterly reporting to the General Assembly. Also, the provision requires the Legislative Services Officer to report quarterly on compliance relative to employees of the General Assembly.

SECTION 29.20 COMPREHENSIVE REVIEW FOR REFORM OF PUBLIC EMPLOYEE COMPENSATION PLANS/RECOMMENDATIONS FOR LEGISLATION BY MAY 1, 2012

Directs the Legislative Services Commission to commission a comprehensive review and study of the current compensation plans of State agencies, departments, institutions, the University of North Carolina, the North Carolina Community College System, and local public schools and appropriates \$2,000,000 for this purpose. The review and study is to include recommendations and design of a comprehensive performance-based compensation plan for implementation by the General Assembly in Fiscal Year 2012-13.

SECTION 29.20A ESTABLISH COMPENSATION ADJUSTMENT AND PERFORMANCE PAY RESERVE IN ANTICIPATION OF COMPENSATION RECOMMENDATIONS

Establishes a compensation adjustment and performance pay reserve and appropriates \$121,105,840 to provide funding for a performance-based compensation plan for teachers and State employees.

SECTION 29.21 ESTABLISH SEVERANCE EXPENDITURE RESERVE

Establishes a severance expenditure reserve and appropriates \$69,000,000 to fund severance salary continuation and health benefit coverage premiums for employees reduced-in-force.

SECTION 29.21A REPEAL REDUCTION-IN-FORCE PRIORITY CONSIDERATION UNDER THE STATE PERSONNEL ACT

Section 29.21A, which eliminated the reduction-in-force priority reemployment consideration under the State Personnel Act (G.S. 126-7.1), was repealed by Section 59(a) of S.L. 2011-391, 2011 Budget Technical Corrections. Section 59(b) of S.L. 2011-391 rewrote G.S. 126-7.1 to modify the priority reemployment consideration for employees reduced-in-force. The modified provision requires former employees to have substantially equal qualifications as any other applicant in order to receive priority consideration. Before, the former employee just had to be determined qualified for the position. Also, Section 59(b) directs the State Personnel Commission to adopt rules providing that a State employee separated from State employment as a result of a reduction-in-force who accepts a position in State government shall be paid a salary no higher than the maximum of the salary grade of the position accepted.

SECTION 29.21C STATE PERSONNEL INFORMATION AMENDMENT

Amends G.S. 120-32.01(b) to permit the Program Evaluation Division director and two designees to have direct access to the BEACON HR/payroll system.

Additional Legislation

NONE

**ACROSS-THE-BOARD SALARY COST
FOR EACH 1% INCREASE
(MILLIONS)**

YEAR	GENERAL FUND	HIGHWAY FUND
1973-74	10.13	1.35
1974-75	12.27	1.51
1975-76	No Increase Granted	
1976-77	13.91	1.73
1977-78	15.79	1.84
1978-79	17.44	2.01
1979-80	18.86	2.13
1980-81	21.29	2.26
1981-82	25.14 ^a	2.51 ^a
1982-83	No Increase Granted	
1983-84	25.97	2.57
1984-85	27.60	2.70
1985-86	32.10	2.50
1986-87	36.45	2.66
1987-88	40.84 ^b	2.72
1988-89	45.40	2.93
1989-90	47.75	2.93
1990-91	55.90	3.35
1991-92	No Increase Granted	
1992-93	54.11	3.39
1993-94	55.75	3.48
1994-95	58.28	3.64
1995-96	63.56	3.96
1996-97	66.77	3.98
1997-98	70.22	4.19
1998-99	75.33	4.64
1999-00	80.69	4.00
2000-01	86.45	4.33
2001-02	89.73	4.32
2002-03	91.05 ^c	4.19
2003-04	91.35 ^d	4.15
2004-05	95.13	4.37
2005-06	100.61	4.56
2006-07	106.89	4.79
2007-08	117.08	5.11
2008-09	124.93	5.37
2009-10	130.65 ^e	5.54 ^e
2010-11	129.73 ^e	5.40 ^e
2011-12	131.29 ^e	5.32 ^e

^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, FY 2010-11, and FY 2011-12.

LEGISLATIVE INCREASES

YEAR	STATE EMPLOYEES	TEACHERS
1973-74	5% + (5% for those under \$2.75/hour)	5% + (employment extended 187 to 200 days = 7% salary increase and 1 step added to schedule)
1974-75	7.5%	7.5%
1975-76	-0-	-0-
1976-77	4% + \$300 (average 7.2%)	4% + \$300 (average 6.8%)
1977-78	6.5%	6.5%
1978-79	6%	6%
1979-80	5% + (\$200 one-time bonus payment)	5% + (\$200 one-time bonus payment)
1980-81	10%	10% + (Salary schedule changed = 2% to 10% added to each step of salary range)
1981-82	5% (effective 1-1-82)	5% (effective 1-1-82)
1982-83 ^a	-0-	-0-
1983-84 ^a	5%	5%
1984-85 ^a	10%	10% + 4.8% salary classification adjustment
1985-86 ^b	5% + 1 step increase (9.6%)	1-step increase (4.8%) second year teachers; 2-step increase (9.6%) third or more year teachers
1986-87	\$75 month (average 6%)	6.5%
1987-88	5%	5%
1988-89	4.5%	4.5%
1989-90	4% + 2% merit funds	6.65% average
1990-91	4% + 2% merit funds	6.15% average
1991-92	-0-	-0-
1992-93	\$522	2% average
1993-94	2% + 1% one-time bonus payment	3% average

LEGISLATIVE INCREASES (Continued)

YEAR	STATE EMPLOYEES	TEACHERS
1994-95	4% + 1% one-time bonus payment	5% - 1-3 years 7% - 4-29 years
1995-96	2%	2%
1996-97	2.50% COLA + 2% career growth	5.50%
1997-98 ^c	2% COLA + 2% career growth	4% - 9%
1998-99	1% COLA + 2% career growth + 1% one-time bonus	4% - 9%
1999-00	1% COLA + 2% career growth + \$125 Compensation Bonus	4%-11%
2000-01	2.2% COLA + 2% career growth + \$500 Compensation Bonus	2.5%-13.8%
2001-02	\$625	1.0% to 6.92% (2.86% average)
2002-03	-0-	0.0% to 5.85% (1.84% average)
2003-04	-0-	1.42% to 5.86% (1.81% average)
2004-05	Greater of a \$1,000 or 2.5% across-the-board increase	1.41% to 5.90% (2.5% average)
2005-06	Greater of a \$850 or 2.0% across-the-board increase	1.77% to 6.27% (2.24% average)
2006-07	5.5% across-the-board increase	6.45% to 14.05% (8.23% average)
2007-08	4.0% across-the-board increase	4.05% to 9.53% (5.0% average)
2008-09	Greater of \$1,100 or 2.74% across-the-board increase	2.39% to 6.63% (3.0% average)
2009-10	-0-	-0-
2010-11	-0-	-0-
2011-12	-0-	-0-

a Salary increment program frozen

b Conditional upon continuous employment for one year

c 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

YEAR	AVERAGE SALARY ^{1,2}
1970-71	6,748
1972-73	7,680
1973-74	8,249
1974-75	9,013
1975-76	9,092
1976-77	9,431
1977-78	11,060
1978-79	11,756
1979-80	12,677
1980-81	14,233
1981-82	15,329
1982-83	15,329
1983-84	16,026
1984-85	17,587
1985-86	18,742
1986-87	20,290
1987-88	21,305
1988-89	22,272
1989-90	23,105
1990-91	23,397
1991-92	24,665
1992-93	25,152
1993-94	25,645
1994-95	26,605
1995-96	27,087
1996-97	27,473
1997-98	28,166
1998-99	30,332
1999-00	31,385
2000-01	32,803
2001-02	33,474
2002-03	33,556
2003-04	33,854
2004-05	35,151
2005-06	36,691
2006-07	38,743
2007-08	40,283
2008-09	41,769
2009-10	41,687
2010-11	41,568

(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.**

Statewide Reserves: 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, 2010, the System had approximately 337,000 contributing members and paid retirement benefits of \$3.3 billion annually to 163,711 beneficiaries. As of December 31, 2010, the market value of assets totaled \$54.1 billion while the actuarially recognized assets totaled approximately \$57.1 billion. Recognized assets exceed the market value of assets due to the effect of investment gains and losses being averaged over a five-year period to smooth market fluctuations (i.e. the significant losses sustained during the 2008 calendar year). The System was considered 94% funded (i.e., \$0.94 in assets for each \$1.00 of liabilities) based upon the recognized assets as of December 31, 2010.

Due to the significant losses in the market value of assets during the 2008 calendar year, the actuarial valuations for December 31, 2009 reflected the need for increased employer contributions beginning July 1, 2011. The required additional increases from the General Fund amounted to \$248.1 million for the Teachers' and State Employees' Retirement System, \$6.8 million for the Consolidated Judicial Retirement System and \$4.3 million for the Firemen's and Rescue Squad Workers' Pension Fund. The General Assembly directed the Board of Trustees to adopt a 12 year liquidation period thus extending the liquidation period from the 9 year period enacted in 1996.

The following table reflects the Employer Contribution Rates to the Teachers' and State Employees' Retirement System since Fiscal Year 1999-2000.

Fiscal Year	Employer Rate
1999-2000	8.15%
2000-2001	5.33%
2001-2002	1.97%
2002-2003	Zero
2003-2004	0.22%
2004-2005	2.17%
2005-2006	2.34%
2006-2007	2.66%
2007-2008	3.05%
2008-2009	3.36%
2009-2010	3.57%
2010-2011	4.93%
2011-2012	7.44%

The General Assembly appropriates funds to increase employer retirement contributions to a reserve administered by the Office of State Budget and Management (OSBM). After enactment of the budget, OSBM allocates these funds to State agencies, departments, universities, local public schools, and local community colleges to pay the increased employer contributions to the Department of State Treasurer, which administers the various retirement systems.

Significant Legislative Budget Actions

The General Assembly enacted the following additional recurring General Fund and Highway Fund appropriations to the various retirement system or funds:

State Appropriations (Recurring)	FY 2011-12	FY 2012-13
General Fund for State Retirement System	248,100,000	336,000,000
Highway Fund for State Retirement System	11,200,000	15,100,000
General Fund for Firemen's and Rescue Squad Workers' Pension	4,318,042	5,366,928
General Fund for Judicial Retirement System	6,800,000	7,800,000
TOTAL	\$270,418,042	\$364,266,928

The amount of budgeted receipts of employing agencies used to pay employer retirement system contributions for receipt-funded positions may be increased to pay the additional employer contributions authorized by the General Assembly.

Significant Special Provisions Session Law 2011-145 House Bill 200

SECTION 29.22. SALARY-RELATED CONTRIBUTIONS

Sets the contribution rates for the various retirement systems for FY 2011-12 and FY 2012-13. The contribution rate for FY 2011-12 to the Teachers' and State Employees' Retirement System is 7.44 percent of payroll for retirement, 0.52 percent of payroll for the Disability Income Plan, 0.16 percent of payroll for the Death Benefit and 5.00 percent of payroll for retiree health benefits. The contribution rate for FY 2012-13 to the Teachers' and State Employees' Retirement System is 8.33 percent of payroll for retirement, 0.52 percent of payroll for the Disability Income Plan, 0.16 percent of payroll for the Death Benefit and 5.30 percent of payroll for retiree health benefits.

SECTION 29.24. PERMANENTLY EXEMPT PARTICIPANTS IN THE UNIVERSITY OF NORTH CAROLINA PHASED RETIREMENT PROGRAM FROM THE RESTRICTIONS ON RETURNING TO WORK

Permanently exempts participants in the University Phased Retirement Program from any break in service requirement before being reemployed under the terms of the Program. The University System administers a Phased Retirement Program in which instructors are allowed to retire from whichever retirement program that they participate in (Teachers' and State Employee's Retirement System or the Optional Retirement Program) and continue to teach on a part time basis without the required six month break in service.

SECTION 29.26. PROVIDE FOR VESTING RECIPROCITY BETWEEN THE STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEMS AND THE OPTIONAL RETIREMENT PROGRAM FOR STATE INSTITUTIONS OF HIGHER LEARNING

Changes the law so that any participant in the Optional Retirement Program can use membership service under any combination of the Teachers' and State Employees' Retirement System, the Local Governmental Employees' Retirement System, the Consolidated Judicial Retirement System, or the Optional Retirement Program in order to reach the five year vesting requirement in order to not forfeit any contributions made on their behalf from UNC.

SECTION 29.27 ENABLE THE UNC HEALTH CARE SYSTEM TO OFFER THE OPTIONAL RETIREMENT PROGRAM (ORP) AS A RETIREMENT OPTION

Allows employees of the University of North Carolina Health Care System to have a choice to participate in the Optional Retirement Program or the Teachers' and State Employees' Retirement System, subject to rules adopted by the UNC Board of Governors.

Additional Legislation

S. L 2011-92 (SB244) FIRE AND RESCUE/SURVIVOR'S BENEFIT

Amends the Local Governmental Employees' Retirement System to allow the beneficiary of a firefighter or rescue squad worker who had at least 15 years of service and who was killed in the line of duty to elect the survivor's alternate benefit. The survivor's alternate benefit is determined by computing the amount the beneficiary would have received if the member had retired and selected a 100 percent joint and survivor option providing a reduced monthly benefit throughout the life of the beneficiary.

S.L. 2011-144 (HB804) JOHNSTON MEMORIAL HOSPITAL NOT IN LGERS

Allows the Johnston Memorial Hospital Authority to elect to discontinue its participation as an employer in the Local Governmental Employees' Retirement System for employees hired on or after October 1, 2011. The Board of Trustees for the Johnston Memorial Hospital Authority is required to provide notification of their decision and copies of any Board action related to this election to the Retirement Systems Division of the State Treasurer's Office. For employees of Johnston Memorial Hospital Authority employed as of September 30, 2011 and participating in the Local Governmental Employees' Retirement System, the Hospital Authority is required to continue payroll reporting and remitting employee and employer contributions.

S.L. 2011-208 (HB 263) RETIREMENT ALLOWANCE/REMARRIAGE OPTION

Allows a retired member of the Teachers' and State Employees' Retirement System or the Local Governmental Employees' Retirement System (1) who designated a spouse as survivor under Option 5, (2) whose designated spouse predeceased him or her, and (3) who remarried before the enactment of SL 2010-72, (Technical Corrections Bill enacted during the 2010 Session), to nominate the new spouse to receive the survivor retirement benefits, provided the nomination is made within 90 days after the act becomes law.

S.L. 2011-232 (HB 927) STATE PENSION PLAN SOLVENCY ACT

Increases the vesting period to qualify for benefits from five years of service to ten years of service. This change applies only to individuals who become members of the Teachers' and State Employees' Retirement System on or after August 1, 2011. This act also makes it a misdemeanor for anyone to fraudulently receive a deceased retiree's retirement benefits from any State retirement system more than two months after the retiree's death.

S.L. 2011-211 (HB 318) TREASURER INVESTMENTS

Provides the State Treasurer greater flexibility in implementing investment strategy for the Retirement Systems' assets. The State Treasurer's intent for the changes is to achieve the same or slightly better returns at a meaningfully lower level of risk. This began as an agency bill requested by the Department of State Treasurer.

S.L. 2011-294 (HB 376) RETIREMENT TECHNICAL CORRECTIONS

Makes clarifying changes in the laws governing the Teachers' and State Employees' Retirement System (State System) and the Local Governmental Employees' Retirement System (Local System). This began as an agency bill requested by the Department of State Treasurer. These omnibus changes are as follows:

Section 1: Clarifies that former employees are eligible for health benefits if those employees are approved for disability retirement or disability income benefits but do not receive the benefits due to lump-sum payouts of vacation, bonus, and sick leave.

Section 2: Provides for an appeal process if the employer omits the reporting of reemployed retirees. The bill also directs the employer to remit the penalty payment to the retirement system, in one lump sum, within 90 days of the date the employer receives notification from the retirement system of the amount due.

Section 3: Clarifies the rights of a beneficiary of a member who has applied for and been approved for disability benefits in the State System or Local System but does not live to the retirement effective date.

Section 4: Makes clear that members of the Local System may render no service, including part time, temporary, substitute, or contractor service, at any time during the month immediately following the effective date of retirement.

Section 5: Amends the State System and Local System provisions relating to creditable service for military service, to add that a member's employer must remit to the retirement system all employer contributions for the full period of the member's service when a member previously on military leave returns to work.

Section 6: Eliminates the required six-month break in service when any member that was receiving a long-term disability benefit from the Disability Income Plan is converted to an unreduced retirement benefit.

S.L. 2011-310 (HB 730) LOCAL BDS OF EDUCATION/403(B) OPTION

Authorizes a statewide centralized 403(b) plan for employees of local school boards that will be known as the "North Carolina Public School Teachers' and Professional Educators' Investment Plan." The bill authorizes the Department of State Treasurer to select the vendor authorized to provide the 403(b) retirement offerings utilizing State procurement procedures with a goal of attaining lower administrative fees and enhanced services.

The Department of State Treasurer and the Board of Trustees for the North Carolina Supplemental Retirement Plans will provide oversight of the Plan. Investment options will be determined by the Department of State Treasurer and Board of Trustees for the North Carolina Supplemental Retirement Plans consistent with Section 403(b) of the Internal Revenue Code of 1986, as amended. The investment staff of the Department of State Treasurer may make recommendations to the State Treasurer and Board of Trustees for the North Carolina Supplemental Retirement Plans as to appropriate investment options. The State Treasurer and Board of Trustees will have sole responsibility for the selection of the service provider for the North Carolina Public School Teachers' and Professional Educators' Investment Plan.

S.L. 2011-371 (HB538) LGERS LEO DISABILITY

Local System law provides that law enforcement officers, firemen, and rescue squad workers with one year or more of creditable service who become incapacitated for duty as the natural and proximate result of an accident occurring while in the actual performance of duty, and meet all other requirements for disability retirement benefits, may be retired by the Board of Trustees on a disability retirement allowance. This bill removes law enforcement officers from this provision of law and adds new language to allow law enforcement officers who become incapacitated for duty as the natural and proximate result of an injury occurring while in the actual performance of duty, and meet all other requirements for disability retirement benefits, to be retired by the Board of Trustees on a disability retirement allowance regardless of creditable service.

S.L. 2011-373 (HB596) TRANSFER SURPLUS PROPERTY

Directs that 25% of the net proceeds from the sale of surplus land with an appraised value below \$6 million be paid to the General Fund and directs the remaining 75% of the net proceeds to the State agency currently allocated the land (25%) and to the Teachers' and State Employees' Retirement System (50%). The bill also provides that 100% of the net proceeds from the sale of surplus land with an appraised value exceeding \$6 million be paid to the General Fund. This law will sunset on January 1, 2016.

Statewide Reserves: 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 May 2011, enrollment in the Plan was 664,218 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 projected to be \$2.7 billion for FY 2010-11.

Significant Special Provisions

Session Law 2011-145 House Bill 200

SECTION 29.22 SALARY-RELATED CONTRIBUTIONS

Sets the maximum annual employer contributions toward health benefit coverage for eligible employees and retired employees (Section 29.22(e) and (f)).

SECTION 29.23 LIMIT STATE ABORTION FUNDING/HEALTH PLAN/INSURANCE

Prohibits the use of State funds for performance of abortions or to support a health plan (including the State Health Plan) offering abortion except to protect the life of the mother or if the pregnancy is the result of rape or incest. This does not limit medical care provided after a spontaneous miscarriage.

Additional Legislation

S.L. 2011-85 (SB 323) STATE HLTH PLAN/APPROPRIATIONS & TRANSFER II S.L. 2011-96 (HB 578) STATE HEALTH PLAN/ADDITIONAL CHANGES

The General Assembly enacted Session Laws 2011-85 (Senate Bill 323) and 2011-96 (House Bill 578) to address the Plan's projected financial needs for the 2011-13 biennium. The summarized changes enacted by the General Assembly are listed below:

- Establishes employee and retiree premiums for employee-only coverage in the Standard 80/20 Plan; while premiums were also established for actives in the Basic 70/30 Plan, Session Law 2011-96 authorized the Plan to offer the Basic Plan with no premium;
- Authorizes a 5.3% annual increase in each fiscal year of the biennium in premium rates charged by the Plan for dependent coverage;
- Makes General Fund appropriations of \$109.3 million for the 2011-13 biennium;
- Reduces Plan benefits by increasing plan member out-of-pocket requirements for certain medical benefits and prescription drugs;
- Repeals the "Comprehensive Wellness Initiative", implemented in 2009 to focus on smoking cessation and weight management efforts; and
- Transfers control of administration, benefit design, and setting Plan member premium contributions to the State Treasurer and Board of Trustees.

Additional information on these changes is described below under the related headings.

Increased Funding Appropriated

The General Assembly enacted the following additional General, Highway and Receipt funds appropriations for the 2011-13 biennium to fund increased employer premium contribution rates paid by employing units to provide health benefit coverage to their eligible active employees and employer payroll contributions paid to the Retiree Health Benefit Fund which pays premiums charged for coverage of retired employees:

State Appropriations	FY 2011-12	FY 2012-13	Biennium
General Fund	7,119,541	102,151,104	109,270,645
Highway Fund	332,245	4,767,052	5,099,297
Other Receipt Funds	1,468,770	21,073,896	22,542,666
TOTAL	\$8,920,556	\$127,992,052	\$136,912,608

The appropriations and budgeted receipts highlighted above result from a 5.3% increase in annual premium rates for the fiscal year beginning July 1, 2011, and an additional annual premium increase of 5.3% for the fiscal year beginning July 1, 2012.

In addition, total additional contributions projected to be paid by active and retired employees for their own coverage on a partially contributory basis, and premium charges for fully contributory coverage of their dependent children and/or spouses, are as follows:

Coverage Category	FY 2011-12	FY 2012-13	Biennium
Employee Coverage	57,405,761	71,818,378	129,224,139
Retiree Coverage	17,858,739	22,788,680	40,647,419
Dependent Coverage	13,066,442	41,685,531	54,751,973
TOTAL	\$88,330,942	\$136,292,589	\$224,623,531

Benefit Changes

Medical Benefits – Out-of-Pocket Changes

The General Assembly increased the out-of-pocket requirements for plan members by increasing various co-pays, deductibles, and co-insurance requirements. The effect of these higher out-of-pocket requirements is to lower the amount of premium funding required to support the Plan for the 2011-13 biennium. A summary of the out-of-pocket changes for medical benefit related services are summarized in the table below:

	Basic 70/30		Standard 80/20	
	Current	New	Current	New
Medical Benefits				
Plan Member Co-pays (per visit)				
Primary Care	\$30	\$35	\$25	\$30
Mid-Tier	\$55	\$64	\$45	\$52
Specialty Care	\$70	\$81	\$60	\$70
Urgent Care	\$75	\$87	\$75	\$87
Inpatient Hospital	\$250	\$291	\$200	\$233
Emergency Room	\$250	\$291	\$200	\$233
Annual Deductible (Individual)				
In-network	\$800	\$933	\$600	\$700
Out-of-network	\$1,600	\$1,866	\$1,200	\$1,400
Coinsurance Maximum (Individual)				
In-network	\$3,250	\$3,793	\$2,750	\$3,210
Out-of-network	\$6,500	\$7,586	\$5,500	\$6,420

Prescription Drug Benefits – Out-of-Pocket Changes

For a 30-day supply of acute and maintenance prescription drugs, the monthly co-pay for brand drugs increased from \$35 per script to \$40 per script, non-preferred brand drugs from \$55 per script to \$64 per script and from \$10 per script to \$12 per script for generic drugs.

Financial Reconciliation of Changes to the Plan for the 2011-13 Biennium

State Health Plan Summary of Financial Changes^{1,2} Senate Bill 323 (Ratified) as Amended by HB 578 (Ratified) (\$ Million)			
	FY 2011-12	FY 2012-13	Biennium
1) Projected Financial Support Required	\$168.8	\$346.7	\$515.5
2) Benefit Reductions (Changes in Out-of-Pocket Amounts) Effective July 1, 2011			
Medical			
Primary Care Co-pay (Increase)	(\$5.5)	(\$7.5)	(\$13.0)
Mid-tier Specialist Co-pay (Increase)	(\$2.4)	(\$3.2)	(\$5.6)
Specialist Co-pay (Increase)	(\$6.6)	(\$8.9)	(\$15.4)
Urgent Care Co-pay (Increase)	(\$0.4)	(\$0.5)	(\$0.9)
Inpatient Co-pay (Increase)	(\$1.1)	(\$1.5)	(\$2.6)
Emergency Room Co-pay (Increase)	(\$1.8)	(\$2.5)	(\$4.3)
Deductible and Coinsurance Maximum (Increase)	(\$18.5)	(\$24.7)	(\$43.2)
Sub-total	(\$36.4)	(\$48.7)	(\$85.1)
Outpatient Acute and Specialty Prescription Drugs			
Generic Drug Co-pay (Increase)	(\$6.6)	(\$7.6)	(\$14.2)
Brand Drug Co-pay (Increase)	(\$9.1)	(\$12.5)	(\$21.6)
Non-Preferred Brand Drug Co-pay (Increase)	(\$5.3)	(\$7.5)	(\$12.8)
Sub-total	(\$21.0)	(\$27.6)	(\$48.6)
Total Benefit Reductions	(\$57.4)	(\$76.3)	(\$133.7)
3) Appropriations by the General Assembly			
Premium increase for Employing Agencies			
General Fund	(\$7.1)	(\$102.2)	(\$109.3)
Highway Fund	(\$0.3)	(\$4.8)	(\$5.1)
Other Employer Funds	(\$1.5)	(\$21.1)	(\$22.5)
Total Additional Employer Funds	(\$8.9)	(\$128.0)	(\$136.9)
4) Premium increases paid by Employees and Retirees			
Paid for Employee's Own Coverage	(\$57.4)	(\$71.8)	(\$129.2)
Paid for Retiree's Own Coverage	(\$17.9)	(\$22.8)	(\$40.6)
Paid for Spouses and Dependent Children	(\$13.1)	(\$41.7)	(\$54.8)
Total Employee Additional Funds	(\$88.3)	(\$136.3)	(\$224.6)
5) Net Financial Effect of Member Migration Between Plan Options	\$6.2	\$19.6	\$25.8
6) Balance	\$20.3	\$25.7	\$46.1

Notes:

¹ The \$46.1 million balance remaining at the end of the biennium (see Item 6) is a product of rounding error and a difference in projected ending cash balances between baseline financial projections and final projections after the authorized premium increases, benefit changes, and other program changes. An estimated \$28.3 million of this remaining balance is attributable to the delayed effective date (September 1, 2011) of applying higher out-of-pocket limits on plan members and beginning to charge premium contributions to employees and certain retired employees in FY 2011-12. An additional \$13.0 million of the total is based on an assumption that the Plan will offer non-contributory coverage to employees in the Basic 70/30 plan in FY 2011-12 and FY 2012-13.

Year-to-date operating results for the Plan through March 30, 2011, adjusting for one-time gains of certain financial transactions that increase Plan receipts in the current plan year, indicate the Plan's cash balance is \$102 million greater than expected as noted in the Plan's August 31, 2010 Authorized Budget. According to the Plan's Executive Administrator on May 17, 2011, by the end of the plan year on June 30, 2011, the Plan's ending cash balance is expected to be \$50 million higher than originally estimated.

²The \$25.8 million in financial costs to the Plan (see Item 5) reflects mostly the predicted effect of certain plan members currently enrolled in the Basic 70/30 plan migrating back to the Standard 80/20 plan to receive lower out-of-pocket requirements. This assumption is due to the repeal of the requirement under the current Comprehensive Wellness Initiative for a plan member to enroll in the Basic 70/30 plan if that plan member is a tobacco-user who declines to participate in tobacco use cessation programs to maintain eligibility for the Standard 80/20 plan.

S.L. 2011-375 (HB 644) Establish Pharmacy Audit Rights

Adds a new Article 4C to Chapter 90 of the General Statutes entitled "Pharmacy Audit Rights." The enacted law generally changes the terms and conditions under which a pharmacy may be audited by an insurance company, third-party payer, or any entity that represents a responsible party requiring an audit of a pharmacy.

S.L. (SB 781) Regulatory Reform Act of 2011

Section 49 of the ratified legislation repeals G.S. 135-44.7, entitled "Administrative Review," to remove the Plan's Board of Trustee's authority to make final agency decisions.

Other Changes Affecting the Plan

Effective January 1, 2011, the governance structure of the Plan was modified by moving it under the auspices of the Department of State Treasurer via a Type II transfer. In addition, the State Treasurer was given broad powers and duties to operate and determine services offered by the Plan. A summary of the State Treasurer's newly required responsibilities include the following:

- Appoint or remove the Plan's Executive Administrator (eff. July 1, 2011);
- Set premium contribution rates for various coverages offered (with Board of Trustee approval);
- Set copayment, deductible, and coinsurance maximum amounts paid by plan members according to the benefit coverage offered (with Board of Trustee approval);
- Set allowable charges for medical and prescription drug reimbursements to medical and pharmacy providers;
- Set administrative and medical policies;
- Adopt and implement utilization review and internal grievance procedures;
- Establish fraud detection and audit programs;
- Prepare and submit cost estimates to the Governor and General Assembly;
- Implement and administer a program of long-term care benefits; and
- In conjunction with the Board of Trustees conduct an examination of moving the Plan to a calendar year based plan year.

Further changes to the governance of the Plan include a re-making of the Plan's ten member Board of Trustees by adding the Treasurer and the State Budget Director to the Board as non-voting ex officio members, except in the event of a tie vote where the Treasurer may vote. The remainder of the Board will consist of eight members appointed by

the Treasurer (two appointees), the Governor (two appointees), and the General Assembly (four appointees; two each by the President Pro Tempore of the Senate and the Speaker of the House).

The statutory authorization for the General Assembly's Committee on Employee Hospital and Medical Benefits is repealed effective January 1, 2011.

The "Comprehensive Wellness Initiative" originally enacted in S.L. 2009-16 was repealed effective September 1, 2011 in S.L. 2011-96. The program required plan members to be enrolled in the Basic 70/30 plan for coverage if they either used tobacco products or possessed a Body Mass Index above a certain threshold. Under the program plan members were allowed to avoid the lesser coverage offered in the Basic 70/30 plan if they agreed to participate in certain tobacco cessation or weight management programs.

The Plan was also affected by the passage of the federal Patient Protection and Affordable Care Act (federal Affordable Care Act) in March 2010. Per the requirements of the Act the Plan will maintain "grandfather" status which exempts the Plan from having to cover preventive services at no cost to plan members. To maintain grandfather status under the federal guidelines, premium contributions for an employee or retired employee's own coverage cannot exceed 5% of the premium cost. In addition, the out-of-pocket limits cannot increase by more than 15% plus the rate of medical inflation in FY 2011-12, and by the rate of medical inflation in FY 2012-13. In addition, the Plan will also extend coverage for dependents to Age 26 as required by the federal Affordable Care Act.

Finally, the Plan is authorized to charge employees a monthly partially contributory premium for their own coverage in the Basic 70/30 plan, and the Standard 80/20 plan. Retired employees retain a non-contributory premium option in the Basic 70/30 plan, but must pay a monthly partially contributory premium for the Standard 80/20 plan.

State Health Plan (Administration)

Budget Code: 28410

	FY 2011-12		FY 2012-13	
Beginning Unreserved Fund Balance	\$0		\$0	
Recommended Budget				
Requirements	\$191,734,088		\$191,734,088	
Receipts	\$191,734,088		\$191,734,088	
Positions	42.00		42.00	
Legislative Changes				
Requirements:				
Medical Benefits/Claims Processing Contract	(\$1,311,263) R		\$3,622,105 R	
Adjust budgeted amounts for the PPO Administrative Services Agreement based on anticipated contractual costs, changes in plan membership and on-going administrative services.	\$0 NR		\$0 NR	
	0.00		0.00	
Pharmacy Benefits Management Contract	(\$146,568) R		(\$3,335,958) R	
Reduce budgeted amount for PPO PBM Contract based on anticipated contractual costs, changes in plan membership and on-going pharmacy benefit and utilization management programs.	\$0 NR		\$0 NR	
	0.00		0.00	
Disease & Case Management Contracts	(\$6,037,580) R		(\$5,284,198) R	
Reduce budgeted amount for Population Health Management Services contracts based on anticipated contractual costs, changes in plan membership and on-going disease and case management services.	\$0 NR		\$0 NR	
	0.00		0.00	
Wellness Initiatives and Programs	(\$3,130,234) R		(\$3,119,350) R	
Reduce budgeted amount for Wellness Initiatives contracts based on anticipated contractual costs, changes in plan membership and on-going wellness programs.	\$0 NR		\$0 NR	
	0.00		0.00	
Other Administrative Cost	(\$644,294) R		(\$12,544) R	
Reduce budgeted amounts for the Plan's other administrative costs to more accurately reflect anticipated expenditures.	\$0 NR		\$0 NR	
	0.00		0.00	

	FY 2011-12		FY 2012-13	
Subtotal Legislative Changes	(\$11,269,939)	R	(\$8,129,945)	R
	\$0	NR	\$0	NR
	0.00		0.00	

Receipts:

Reduce Transfers from Trust Funds	(\$11,269,939)	R	(\$8,129,945)	R
Reduces the amount of transfer from the Plan's health benefit trust fund budget codes to support administrative costs authorized for the FY 2011-13 biennium.	\$0	NR	\$0	NR

Subtotal Legislative Changes	(\$11,269,939)	R	(\$8,129,945)	R
	\$0	NR	\$0	NR

Revised Total Requirements	\$180,464,149	\$183,604,143
Revised Total Receipts	\$180,464,149	\$183,604,143
Change in Fund Balance	\$0	\$0
Total Positions	42.00	42.00

Unappropriated Balance Remaining	\$0	\$0
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FINANCE

Section P

Other Finance Legislation

2011 Session: HB 92

Title: **REPEAL LAND TRANSFER TAX**

Summary Amends G.S. 105-600 through G.S. 105-604 by repealing the Land Transfer Tax, Article 60 of Chapter 105 in the North Carolina General Statutes. The 2007 North Carolina General Assembly authorized boards of county commissioners to levy a land transfer tax up to a rate of 0.4% on instruments conveying interests in real property located in the county if approved by a public referendum. To date, no county has achieved voter approval to levy this local land transfer tax, although 21 counties have conducted public referendums. This change, effective when the bill became law, has no fiscal impact.

2011 Session: HB 93

Title: **SALES AND USE TAX OVERCOLLECTION**

Summary Amends G.S. G.S. 105-164.11(a) authorizing the Secretary of Revenue to take one of the following three actions when a seller overcollects sales tax on a transaction: 1) refund the overcollected tax if the seller provides the purchaser with a refund, 2) allow the seller to offset use tax liability with the overcollected sales tax, or lastly 3) retain the total amount collected on the transaction. This change became effective July 1, 2011 and has no fiscal impact.

2011 Session: HB 123

Title: **BUSINESS ENTITY CHANGES**

Summary Amends 105-277.3(b1) to allow the business entity requirements for present-use value property to be satisfied when the business entity that currently owns the farmland shares one or more members in common with the business entity that previously owned the farmland. This legislation is effective July 1, 2011 and has no General Fund impact.

2011 Session: HB 124

Title: **INTERNAL REVENUE CODE UPDATE**

Summary Amends G.S. 105-228.90 to update the reference to the Internal Revenue Code from May 1, 2010 to January 1, 2011. By updating the reference, North Carolina conforms to most of the federal tax law changes made during 2010, including changes to the estate tax. Starting in 2011, the exclusion amount for estates was scheduled to be \$1 million and the maximum estate tax rate was scheduled to be 55%. By conforming to the federal changes, the exclusion amount for 2011 and 2012 is \$5 million (\$10 million for married couples) and the maximum tax rate is 35%. North Carolina does not conform to bonus depreciation and enhanced Section 179 expensing. These amendments reduce General Fund availability by \$57.1 million in FY 2011-12 and by \$72.2 million in FY 2012-13.

Other Finance Legislation

2011 Session: HB 129

Title: **LEVELING THE PLAYING FIELD**

Summary Amends Chapter 160A of the General Statutes by creating Article 16, Provision of Communication Services by Cities and amends Chapter 159 of the General Statutes by creating Article 9, Borrowing by Cities for Competitive Purposes. These changes implement new regulatory, public information, and financial requirements for cities and joint agencies providing communication services to the public for a fee. Cities offering communications service as of January 1, 2011 are exempt from the provisions in the bill, allowing the new regulations to apply to future municipal broadband systems. Effective when the bill became law, this legislation is expected to generate roughly \$19.00 per subscriber in revenue from payments in lieu of taxes made by future municipal broadband systems.

2011 Session: HB 206

Title: **MODIFY PROPERTY TAX BASE EXCLUSIONS**

Summary Amends G.S. 105-275 to exclude from property tax a contiguous tract of commercial property that is significantly damaged by fire or explosion and donated to a non-profit corporation. This bill became effective for tax years beginning on July 1, 2011 and expires July 1, 2016. The fiscal impact to local jurisdictions is minimal.

2011 Session: HB 344

Title: **TAX CREDITS FOR CHILDREN WITH DISABILITIES**

Summary Amends G.S. 105-151.33 to create a tax credit for parents of children with special needs who choose to educate those children in a non-public school or in a public school at which tuition is charged. The credit amount is up to \$3,000 per semester, for up to two semesters a year. The credit can only be used to reduce an individual's tax liability and unused portions cannot be paid to the taxpayer in the form of a tax refund. Any unused portion of the credit may be carried forward for the succeeding three years. Effective for tax years beginning on or after January 1, 2011 and semesters occurring on or after July 1, 2011 the legislation is expected to reduce General Fund availability by \$1.4 million in fiscal year 2011-12, and increase General Fund availability in future years.

Other Finance Legislation

2011 Session: HB 350

Title: **PROPERTY TAX UNIFORMITY FOR CONSERVATION LAND**

Summary Amends G.S. 105-275 to add the following changes to the property tax exemption for conservation land:

- Clarifies that the definitions for educational purpose and scientific purpose have the same meanings as defined in G.S. 105-278.7 (real and personal property used for, inter alia, educational or scientific purposes.)
- Adds to the previous qualifying use (that land be used as a protected natural area) the following conservation purposes:
 - Managed under a written wildlife habitat conservation agreement with the North Carolina Wildlife Resources Commission
 - Managed under a forest stewardship plan developed by the Forest Stewardship Program.
 - Used for public access to public waters or trails.
 - Used for protection of water quality and subject to a conservation agreement.
 - Held by a nonprofit land conservation organization for sale or transfer to a local, state, or federal government unit for conservation purposes.
- Modifies the treatment of property taxes so that taxes avoided for up to the preceding five fiscal years are no longer eliminated but, instead, are carried forward as deferred taxes that become due and payable if a disqualifying event occurs. The following are disqualifying events:
 - The land is no longer used for one of the qualifying conservation purposes or is used to produce income inconsistent with the conservation use/s to which the land is applied.
 - The conservation organization transfers the land without an easement that requires the conservation use/s required for the land to qualify for the property tax benefit will continue to be applied and that prohibits income generation.
- Adds a requirement that property excluded from the tax base for conservation purposes not earn income or only earn income that is both incidental to and not inconsistent with the conservation purpose (e.g., a forest tract could not be managed for the commercial production of timber but some trees could be harvested if the harvesting is incidental and needed to accomplish the overall conservation purposes for which the tract is being managed).

2011 Session: HB 417

Title: **EXTEND TIME FOR SITE OF LOW/MODERATE INCOME HOUSING**

Summary Amends G.S. 105-278.6 by extending by five years the time period that real property owned by a non-profit as a future site for low or moderate income housing may be exempted from taxation. This provision is effective as of July 1, 2011 and has no fiscal impact during the biennium.

Other Finance Legislation

2011 Session: HB 571

Title: **PREPAID WIRELESS/POINT OF SALE COLLECTION**

Summary Amends Chapter 62A of the General Statutes imposing a fee on prepaid wireless telecommunication services. The revenue generated from the \$0.60 per transaction prepaid wireless fee will be used to finance the technological improvements and administrative costs of enhancing emergency telephone services as determined by the 911 Board. The fees, effective July 1, 2013, are expected to generate \$7.3 million per year in revenue when fully implemented.

2011 Session: HB 619

Title: **COMBINED RETURNS FOR MULTISTATE INCORPORATIONS**

Summary Repeals G.S. 105-130.6 and replaces it with 105-130.5A to establish criteria concerning the Secretary of Revenue's authority to adjust the income of a multistate corporation or require it to file a combined return when the Secretary determines that the corporation conducts its business in a way that fails to accurately reflect its income attributable to North Carolina. The legislation also adds a provision authorizing the Revenue Laws Study Committee to review the bill and recommend any changes needed. The fiscal impact of this legislation is unknown. (S.L. 2011-390; HB 619).

Senate Bill 580 made technical corrections to HB 619. It clarifies the Secretary of Revenue's authority to enter into settlement agreements under the new statutory rules for requiring forced combinations. It also clarifies that the existing statutes 105-130.6, 105-130.15, and 105-130.16 remain in effect for taxable years beginning prior to 1/1/12 and that the new statutory rules for forced combinations contained in 105-130.5A are effective for taxable years beginning on or after 1/1/12. (S.L. 2011-411; SB 580)

2011 Session: HB 751

Title: **VARIOUS ECONOMIC DEVELOPMENT INCENTIVES**

Summary Amends G.S. 105-187.51B adding two types of companies to those whose machinery purchases are exempt from the sales and use tax, but subject to the mill machinery excise tax, Article 5F. The Article 5F excise tax applies a 1% tax to the machinery purchase price. The maximum tax liability per piece of machinery is \$80. The types of companies and machinery purchases newly eligible for the Article 5F excise tax under HB 751 include: 1) specialized equipment purchased by a business for use at a port facility to unload or process bulk cargo to make it suitable for delivery to and use by manufacturing facilities and 2) mill machinery, distribution machinery, or parts or accessories for mill machinery purchased by a large manufacturing and distribution facility for storage, use, or consumption in this State. This provision of the bill becomes effective July 1, 2013.

The legislation also makes three additional amendments to the North Carolina General Statutes. First, the legislation amends Part 2 of Article 10 of Chapter 143B authorizing the Secretary of Commerce to designate certain areas as Port Enhancement Zones. This change makes certain businesses located within these zones eligible for tier one tax treatment. The second amendment modifies G.S. 105-129.12A creating an exception for which a taxpayer may continue to take the remaining installments of the Bill Lee tax credit for substantial investment in other real property, but at a reduced amount, when the number of employees the taxpayer employs at the property falls below 200. Lastly, the law amends G.S. 142-83 clarifying a provision passed in S.L. 2007-323 and modified in S.L. 2009-451 related to the use of special indebtedness funds received by Appalachian State University.

Other Finance Legislation

2011 Session: HB 896

Title: **FACILITATE ELECTRONIC LISTING**

Summary Repeals G.S.105-304(a1) and (b)(3), which is the current statutory authority for counties to provide for electronic listing of personal property. Also amends G.S. 105-296(c) to allow counties to provide for electronic listing of personal property only after the Department of Revenue has established standards and minimum requirements. The law is effective for tax years beginning on or after July 1, 2011 and is expected to have an insignificant fiscal impact for local governments.

2011 Session: SB 76

Title: **CLARIFY INDUSTRIAL FACILITY SALES TAX REFUND ELIGIBILITY CORRECTION TO UWHARRIE COMMISSION, PROPERTY TAX TECHNICAL CHANGES**

Summary Amends G.S. 105-164.14 making clarifying changes to the industrial facilities sales tax refund. The sales and use tax provision applies to tax years beginning July 1, 2010, and has no fiscal impact. Amends G.S. 153C-3(d) to make a technical correction to the membership count of the Uwharrie Commission. This amendment applies to initial terms commencing after September 1, 2010.

Amends G.S. 105-360 and 105-378(d) to provide for interest payments on overpayments of property tax and to delay the collection of property tax pending appeal. This change is effective July 1, 2011 and has no fiscal impact.

2011 Session: SB 97

Title: **CLARIFY REFUNDS OF TAX OVERPAYMENTS**

Summary Amends G.S. 105-241.7(a) to clarify that the Department of Revenue is required to initiate a refund of a tax overpayment when it discovers the overpayment before the expiration of the statute of limitations for obtaining a refund.

2011 Session: SB 107

Title: **TAX OFF IMPROVED PROPERTY IN ROADWAY CORRIDORS**

Summary Amends G.S. 105-277.9 to designate improved property within a transportation corridor as a special class of property under Article V of the North Carolina Constitution. The act provides that this property is taxable at 50% of the appraised value of the property, provided that it has not been subdivided. The act is expected to result in a revenue loss of approximately \$550,000 annually for local governments and is effective for tax years beginning on or after July 1, 2011.

2011 Session: SB 281

Title: **MUNICIPAL SERVICE DISTRICTS/STREETS**

Summary Amends G.S. 160A-536 to expand the purposes for which a city may create a municipal service district, subject to certain limitations, to include the conversion of private streets to public streets. The city may impose a higher property tax rate on the taxpayers within a defined service district to pay for the additional services received in that district. Effective for tax years beginning on or after July 1, 2011, the bill also includes a sunset scheduled for July 1, 2021.

Other Finance Legislation

2011 Session: **SB 385**

Title: **SMALL BUSINESS ASSISTANCE RECORD/TAX RECORDS**

Summary Amends G.S.115D 78, G.S. 116 43.16, and G.S.143B 431 ensuring the confidentiality of three types of documents 1) documents submitted to either the North Carolina Community College System's Small Business Center Network or The University of North Carolina's Small Business and Technology Development Centers, 2) documents created by either the Network or a center to provide the individual with business counseling or technical assistance, and 3) financial statements submitted to the Department of Commerce by a private company or an individual seeking assistance from the Department. Effective when the bill became law, this section has no fiscal impact.

The legislation also modifies G.S. 105 129.84 allowing a pass-through entity to treat a tax credit received under Article 3J as a tax payment made by or on behalf of the taxpayer. As a tax payment, nonresident members of a pass-through entity may not only receive the benefit of the credit in North Carolina but also reduce their tax liability in their home state as well. This provision is effective as of January 1, 2011 and has no fiscal impact during the biennium.

2011 Session: **SB 436**

Title: **EXTENDS SUNSETS**

Summary Amends G.S. 105-164.14 to extend the sunset for the sales tax refund for MI-Connection, a telecommunications company operated by the towns of Cornelius, Davidson and Mooresville, for one year for purchases made through June 30, 2011. The 2010 session of the General Assembly enacted HB 455 authorizing MI-Connection as an institution eligible for a sales and use tax refund under G.S. 105-164.14. The legislation redefined the types of joint governmental agencies eligible for a sales tax refund under G.S.105-164.14(c). Under the bill, an agency created by an interlocal agreement pursuant to G.S. 160A-462 is eligible for a sales and use tax refund. This bill has a minimal impact of \$30,000 in fiscal year 2011-12 and was effective when the bill became law.

APPENDICES

Total State Budget By Source of Funds
(\$ in millions - Excludes General Obligation Bonds)

Fiscal Year	General Fund	Federal Revenue Sharing	Highway Fund/Trust	Federal Receipts	Other ¹ Receipts	Transfers ²	Total
1972-73	1,173.6		352.4	491.7	199.5		2,217.2
1973-74	1,607.3	105.2	381.7	519.3	264.4		2,877.9
1974-75	1,734.6	57.2	392.7	648.6	247.8		3,080.9
1975-76	1,733.2	51.7	422.8	747.6	292.3		3,247.6
1976-77	1,922.4	67.1	414.6	776.8	282.9		3,463.8
1977-78	2,158.0	66.9	433.1	967.9	351.4		3,977.3
1978-79	2,515.4	62.5	461.8	1,042.7	328.5		4,410.9
1979-80	2,787.7	57.0	497.6	1,240.5	448.8		5,031.6
1980-81	3,216.4	28.4	506.1	1,296.5	395.7		5,443.1
1981-82	3,435.0		535.0	1,312.7	470.0		5,752.7
1982-83	3,623.6		555.6	1,322.3	485.9		5,987.4
1983-84	3,857.6		664.0	1,597.4	584.9		6,703.9
1984-85	4,516.6		713.6	1,655.8	551.7		7,437.7
1985-86	5,130.5		735.5	1,838.1	696.4		8,400.5
1986-87	5,516.0		839.4	1,887.4	698.3		8,941.1
1987-88	5,977.9		882.4	2,026.8	837.1		9,724.2
1988-89	6,586.1		918.7	2,117.4	788.2		10,410.4
1989-90	7,360.0		1,236.6	2,366.8	1,033.0		11,996.4
1990-91	8,149.0		1,223.8	2,617.0	949.4		12,939.2
1991-92	7,983.0		1,323.3	3,127.8	1,176.3		13,610.4
1992-93	8,209.5		1,318.4	3,617.5	1,363.2		14,508.6
1993-94	9,317.9		1,363.3	4,516.4	1,544.0		16,741.6
1994-95	10,268.4		1,480.9	4,639.9	1,580.7		17,969.9
1995-96	10,031.6		1,553.4	4,664.4	1,783.3		18,032.7
1996-97	10,603.0		1,622.5	4,870.3	1,962.7		19,058.5
1997-98	11,565.3		1,775.5	5,220.4	1,863.6		20,424.8
1998-99	13,111.6		1,807.6	5,465.3	1,797.1		22,181.6
1999-00	14,237.7		1,878.8	5,951.1	1,898.8		23,966.4
2000-01	14,050.1		2,058.8	6,134.4	1,958.4		24,201.7
2001-02	14,530.3		2,121.1	7,066.3	2,243.2		25,960.9
2002-03	14,355.1		1,900.0	7,676.5	2,371.0		26,302.7
2003-04	14,863.2		2,127.7	8,465.8	2,522.7		27,979.4
2004-05	15,918.4		2,169.6	8,967.1	2,677.5		29,732.6
2005-06	17,196.4		2,744.7	9,972.0	3,452.8		33,365.9
2006-07	18,866.0		2,836.9	10,495.7	3,452.8		35,651.3
2007-08	20,659.6		2,857.8	11,476.1	5,758.2	2,122.8	42,874.6
2008-09	21,356.0		2,765.6	11,855.6	7,875.7	6,081.9	49,934.8
2009-10	19,014.9		2,282.7	14,190.6	7,581.9	6,202.6	49,272.7
2010-11	18,959.0		2,851.3	19,164.0	8,004.0	6,360.2	55,338.5
2011-12	19,683.2		2,869.2	18,300.7	10,466.6	5,960.5	57,280.2

¹ Beginning with FY 2007-08, "Other Receipts" exclude internal service funds.

² In some cases, "Total Transfers" may include duplication due to variations in agency handling of interagency transfers .

Total General Fund Authorizations as Adjusted to Determine Total Current Operations

			Less: Adjustments to Total Authorizations						
Fiscal Year	Total Authorizations *	% Change vs. Prior Year	Capital Improvements		Savings Reserve		Total Adjustments	Total Current Operations	% Change vs. Prior Year
			Direct Appropriations Includes FRS	Earmarking of Unreserved Credit Balance	Direct Appropriations	Other			
1981-1982	3,432,556,046	5.45%	30,861,142	0	0	0	30,861,142	3,401,694,904	7.96%
1982-1983	3,626,915,248	5.66%	65,772,358	0	0	0	65,772,358	3,561,142,890	4.69%
1983-1984	3,857,564,088	6.36%	59,782,244	0	0	25,800,000	85,582,244	3,771,981,844	5.92%
1984-1985	4,532,103,411	17.49%	212,535,238	0	0	0	212,535,238	4,319,568,173	14.52%
1985-1986	5,130,563,978	13.20%	253,503,234	0	0	0	253,503,234	4,877,060,744	12.91%
1986-1987	5,531,345,878	7.81%	297,667,245	0	0	0	297,667,245	5,233,678,633	7.31%
1987-1988	5,978,265,764	8.08%	173,020,035	0	0	0	173,020,035	5,805,245,729	10.92%
1988-1989	6,561,392,895	9.75%	258,659,030	0	0	0	258,659,030	6,302,733,865	8.57%
1989-1990	7,266,680,455	10.75%	150,092,738	0	0	0	150,092,738	7,116,587,717	12.91%
1990-1991	7,973,824,802	9.73%	106,400,195	0	141,000,000	0	247,400,195	7,726,424,607	8.57%
1991-1992	7,825,732,308	-1.86%	0	0	400,000	0	400,000	7,825,332,308	B 1.28%
1992-1993	8,209,537,916	4.90%	95,205,570	0	0	0	95,205,570	8,114,332,346	C 3.69%
1993-1994	9,317,906,610	13.50%	135,371,704	57,000,000	0	0	192,371,704	9,125,534,906	12.46%
1994-1995	10,268,424,627	10.20%	189,391,450	60,000,000	66,700,000	0	316,091,450	9,952,333,177	9.06%
1995-1996	10,031,584,878	-2.31%	113,522,500	125,000,000	0	0	238,522,500	9,793,062,378	-1.60%
1996-1997	10,654,778,229	E 6.21%	157,267,000	0	D 0	47,100,000	F 204,367,000	10,450,411,229	6.71%
1997-1998	11,635,189,516	G 9.20%	152,991,120	174,260,955	0	49,354,893	H 376,606,968	11,258,582,548	7.73%
1998-1999	13,111,623,293	12.69%	192,199,500	145,000,000	0	447,397,819	I 784,597,319	12,327,025,974	9.49%
1999-2000	14,237,669,453	8.59%	77,059,168	90,000,000	J 0	629,000,000	K 796,059,168	13,441,610,285	9.04%
2000-2001	14,383,516,932	1.02%	114,974,172	L 0	120,000,000	270,000,000	M 504,974,172	13,878,542,760	N 3.25%
2001-2002	14,863,745,843	3.34%	157,936,000	0	0	0	O 157,936,000	14,705,809,843	N 5.96%
2002-2003	14,351,822,876	-3.44%	31,158,000		0	0	31,158,000	14,320,664,876	-2.62%
2003-2004	14,914,222,783	Q 3.92%	27,601,000	15,000,000	0	0	42,601,000	14,871,621,783	3.85%
2004-2005	16,024,170,294	7.44%	45,192,000	76,797,361	0	4,500,000	R 126,489,361	15,897,680,933	6.90%
2005-2006	17,341,821,310	S 8.22%	54,960,000	125,000,000	0	0	179,960,000	17,161,861,310	7.95%
2006-2007	19,102,281,272	10.15%	206,343,300	222,229,189	0	0	428,572,489	18,673,708,783	8.81%
2007-2008	20,817,042,249	T 8.98%	230,741,100	145,000,000	0	0	375,741,100	20,441,301,149	9.47%
2008-2009	21,437,970,761	2.98%	129,082,062	69,839,238	0	0	198,921,300	21,239,049,461	3.90%
2009-2010	19,039,174,596	U,V -11.19%	4,875,000	0	0	0	4,875,000	19,034,299,596	-10.38%
2010-2011	18,985,738,843	W -0.28%	11,173,440	0	0	0	11,173,440	18,974,565,403	-0.31%
2011-2012	19,829,782,946	4.45%	4,535,000	124,500,000	0	0	129,035,000	19,700,747,946	3.83%

* 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

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 EHNR operating budget
- C Amount shown is net after transfer of \$4.4 million to EHNR 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/Patton 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/Patton 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)

Fiscal Year	Total Current Operations		Education				Health & Human Services				All Other		
			Public Schools		Community Colleges		University		as % of Total				
			Amount	Percent	Amount	Percent	Amount	Percent		Amount	Percent	Amount	Percent
1972-73	Authorization	1,187,443,130	575,012,350	48.4%	63,193,535	5.3%	179,910,706	15.2%	68.9%	180,762,164	15.2%	188,564,375	15.9%
	Expenditure	1,139,500,642	569,792,945	50.0%	60,636,067	5.3%	166,208,535	14.6%	69.9%	168,819,831	14.8%	174,043,264	15.3%
	Reversion	47,942,488	5,219,405	10.9%	2,557,468	5.3%	13,702,171	28.6%	44.8%	11,942,333	24.9%	14,521,111	30.3%
	% Unexpended	4.04%	0.91%		4.05%		7.62%			6.61%		7.70%	
1973-74	Authorization	1,520,694,407	718,947,864	47.3%	99,582,404	6.5%	222,838,796	14.7%	68.5%	224,614,625	14.8%	254,710,718	16.7%
	Expenditure	1,433,241,642	702,789,400	49.0%	92,458,946	6.5%	207,225,420	14.5%	69.9%	198,201,121	13.8%	232,566,755	16.2%
	Reversion	87,452,765	16,158,464	18.5%	7,123,458	8.1%	15,613,376	17.9%	44.5%	26,413,504	30.2%	22,143,963	25.3%
	% Unexpended	5.75%	2.25%		7.15%		7.01%			11.76%		8.69%	
1974-75	Authorization	1,698,417,672	789,391,908	46.5%	109,218,752	6.4%	280,638,400	16.5%	69.4%	270,434,740	15.9%	248,733,872	14.6%
	Expenditure	1,627,703,631	772,145,444	47.4%	106,413,517	6.5%	267,090,160	16.4%	70.4%	246,757,184	15.2%	235,297,326	14.5%
	Reversion	70,714,041	17,246,464	24.4%	2,805,235	4.0%	13,548,240	19.2%	47.5%	23,677,556	33.5%	13,436,546	19.0%
	% Unexpended	4.16%	2.18%		2.57%		4.83%			8.76%		5.40%	
1975-76	Authorization	1,737,659,496	800,937,335	46.1%	105,465,494	6.1%	270,526,549	15.6%	67.7%	282,548,220	16.3%	278,181,898	16.0%
	Expenditure	1,670,011,262	792,213,250	47.4%	99,816,634	6.0%	249,604,282	14.9%	68.4%	274,169,121	16.4%	254,207,975	15.2%
	Reversion	67,648,234	8,724,085	12.9%	5,648,859	8.4%	20,922,767	30.9%	52.2%	8,379,099	12.4%	23,973,424	35.4%
	% Unexpended	3.89%	1.09%		5.36%		7.73%			2.97%		8.62%	
1976-77	Authorization	1,962,976,606	899,151,043	45.8%	116,481,854	5.9%	307,123,340	15.6%	67.4%	335,842,343	17.1%	304,378,026	15.5%
	Expenditure	1,890,839,697	888,449,745	47.0%	110,824,929	5.9%	289,972,146	15.3%	68.2%	313,022,287	16.6%	288,570,590	15.3%
	Reversion	72,136,909	10,701,298	14.8%	5,656,925	7.8%	17,151,194	23.8%	46.5%	22,820,056	31.6%	15,807,436	21.9%
	% Unexpended	3.67%	1.19%		4.86%		5.58%			6.79%		5.19%	
1977-78	Authorization	2,193,405,714	997,654,527	45.5%	114,065,103	5.2%	357,790,592	16.3%	67.0%	368,169,434	16.8%	355,726,058	16.2%
	Expenditure	2,131,150,750	988,189,540	46.4%	113,168,528	5.3%	337,633,079	15.8%	67.5%	351,655,302	16.5%	340,504,301	16.0%
	Reversion	62,254,964	9,464,987	15.2%	896,575	1.4%	20,157,513	32.4%	49.0%	16,514,132	26.5%	15,221,757	24.5%
	% Unexpended	2.84%	0.95%		0.79%		5.63%			4.49%		4.28%	
1978-79	Authorization	2,452,011,095	1,098,173,958	44.8%	139,794,869	5.7%	394,767,166	16.1%	66.6%	412,559,917	16.8%	406,715,185	16.6%
	Expenditure	2,358,332,842	1,092,015,308	46.3%	133,975,021	5.7%	379,305,638	16.1%	68.1%	372,632,422	15.8%	380,404,453	16.1%
	Reversion	93,678,253	6,158,650	6.6%	5,819,848	6.2%	15,461,528	16.5%	29.3%	39,927,495	42.6%	26,310,732	28.1%
	% Unexpended	3.82%	0.56%		4.16%		3.92%			9.68%		6.47%	
1979-80	Authorization	2,750,988,834	1,230,099,474	44.7%	145,243,264	5.3%	436,949,552	15.9%	65.9%	473,705,994	17.2%	464,990,550	16.9%
	Expenditure	2,660,272,288	1,230,099,473	46.2%	145,243,264	5.5%	414,751,963	15.6%	67.3%	429,814,253	16.2%	440,363,335	16.6%
	Reversion	90,716,546	1	0.0%	0	0.0%	22,197,589	24.5%	24.5%	43,891,741	48.4%	24,627,215	27.1%
	% Unexpended	3.30%	0.00%		0.00%		5.08%			9.27%		5.30%	

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

Fiscal Year	Total Current Operations		Education				Health & Human Services				All Other		
			Public Schools		Community Colleges		University		as % of Total	Amount	Percent	Amount	Percent
	Amount	Percent	Amount	Percent	Amount	Percent							
1980-81	Authorization	3,150,963,479	1,390,907,313	44.1%	174,996,965	5.6%	515,255,082	16.4%	66.0%	532,775,202	16.9%	537,028,917	17.0%
	Expenditure	3,050,012,908	1,390,907,313	45.6%	169,011,630	5.5%	487,919,423	16.0%	67.1%	488,201,903	16.0%	513,972,639	16.9%
	Reversion	100,950,571	0	0.0%	5,985,335	5.9%	27,335,659	27.1%	33.0%	44,573,299	44.2%	23,056,278	22.8%
	% Unexpended	3.20%	0.00%		3.42%		5.31%			8.37%		4.29%	
1981-82	Authorization	3,401,694,904	1,495,263,953	44.0%	194,452,082	5.7%	567,573,821	16.7%	66.4%	562,503,966	16.5%	581,901,082	17.1%
	Expenditure	3,244,758,733	1,477,036,604	45.5%	185,809,489	5.7%	534,143,560	16.5%	67.7%	501,927,937	15.5%	545,841,143	16.8%
	Reversion	156,936,171	18,227,349	11.6%	8,642,593	5.5%	33,430,261	21.3%	38.4%	60,576,029	38.6%	36,059,939	23.0%
	% Unexpended	4.61%	1.22%		4.44%		5.89%			10.77%		6.20%	
1982-83	Authorization	3,561,142,890	1,515,742,033	42.6%	205,585,837	5.8%	599,235,054	16.8%	65.2%	589,530,327	16.6%	651,049,639	18.3%
	Expenditure	3,374,921,984	1,455,408,320	43.1%	191,749,633	5.7%	560,438,959	16.6%	65.4%	547,208,474	16.2%	620,116,598	18.4%
	Reversion	186,220,906	60,333,713	32.4%	13,836,204	7.4%	38,796,095	20.8%	60.7%	42,321,853	22.7%	30,933,041	16.6%
	% Unexpended	5.23%	3.98%		6.73%		6.47%			7.18%		4.75%	
1983-84	Authorization	3,771,981,844 A	1,619,049,694	42.9%	232,195,091	6.2%	641,511,441	17.0%	66.1%	615,625,461	16.3%	663,600,157	17.6%
	Expenditure	3,689,904,837	1,615,216,290	43.8%	226,494,819	6.1%	615,765,535	16.7%	66.6%	584,128,657	15.8%	648,299,536	17.6%
	Reversion	82,077,007	3,833,404	4.7%	5,700,272	6.9%	25,745,906	31.4%	43.0%	31,496,804	38.4%	15,300,621	18.6%
	% Unexpended	2.18%	0.24%		2.45%		4.01%			5.12%		2.31%	
1984-85	Authorization	4,319,568,173	1,886,700,077	43.7%	259,101,105	6.0%	746,998,910	17.3%	67.0%	676,582,049	15.7%	750,186,032	17.4%
	Expenditure	4,187,988,292	1,854,957,593	44.3%	257,230,807	6.1%	714,513,120	17.1%	67.5%	629,977,924	15.0%	731,308,848	17.5%
	Reversion	131,579,881	31,742,484	24.1%	1,870,298	1.4%	32,485,790	24.7%	50.2%	46,604,125	35.4%	18,877,184	14.3%
	% Unexpended	3.05%	1.68%		0.72%		4.35%			6.89%		2.52%	
1985-86	Authorization	4,877,060,744	2,185,803,123	44.8%	281,875,727	5.8%	840,311,094	17.2%	67.8%	747,615,271	15.3%	821,455,529	16.8%
	Expenditure	4,718,355,240	2,156,921,328	45.7%	277,815,320	5.9%	793,114,439	16.8%	68.4%	707,151,818	15.0%	783,352,335	16.6%
	Reversion	158,705,504	28,881,795	18.2%	4,060,407	2.6%	47,196,655	29.7%	50.5%	40,463,453	25.5%	38,103,194	24.0%
	% Unexpended	3.25%	1.32%		1.44%		5.62%			5.41%		4.64%	
1986-87	Authorization	5,233,678,633	2,346,139,866	44.8%	307,102,490	5.9%	909,134,150	17.4%	68.1%	804,932,884	15.4%	866,369,243	16.6%
	Expenditure	5,051,335,794	2,293,921,501	45.4%	299,359,220	5.9%	853,232,567	16.9%	68.2%	771,114,680	15.3%	833,707,826	16.5%
	Reversion	182,342,839	52,218,365	28.6%	7,743,270	4.2%	55,901,583	30.7%	63.5%	33,818,204	18.5%	32,661,417	17.9%
	% Unexpended	3.48%	2.23%		2.52%		6.15%			4.20%		3.77%	
1987-88	Authorization	5,805,245,729	2,639,237,658	45.5%	326,296,294	5.6%	980,746,492	16.9%	68.0%	874,393,715	15.1%	984,571,570	17.0%
	Expenditure	5,600,754,849	2,571,179,747	45.9%	317,666,441	5.7%	936,874,299	16.7%	68.3%	824,077,048	14.7%	950,957,314	17.0%
	Reversion	204,490,880	68,057,911	33.3%	8,629,853	4.2%	43,872,193	21.5%	59.0%	50,316,667	24.6%	33,614,256	16.4%
	% Unexpended	3.52%	2.58%		2.64%		4.47%			5.75%		3.41%	
1988-89	Authorization	6,302,733,865	2,930,643,866	46.5%	332,064,381	5.3%	1,039,510,499	16.5%	68.3%	961,204,892	15.3%	1,039,310,227	16.5%
	Expenditure	6,131,757,410	2,857,740,313	46.6%	324,207,283	5.3%	996,187,476	16.2%	68.1%	939,216,000	15.3%	1,014,406,338	16.5%
	Reversion	170,976,455	72,903,553	42.6%	7,857,098	4.6%	43,323,023	25.3%	72.6%	21,988,892	12.9%	24,903,889	14.6%
	% Unexpended	2.71%	2.49%		2.37%		4.17%			2.29%		2.40%	
1989-90	Authorization	6,883,018,393 A	3,134,428,215	45.5%	365,537,274	5.3%	1,109,917,895	16.1%	67.0%	1,010,637,670	14.7%	1,262,497,339	18.3%
	Expenditure	6,539,691,898	3,111,034,727	47.6%	346,856,268	5.3%	989,230,466	15.1%	68.0%	943,279,717	14.4%	1,149,290,720	17.6%
	Reversion	343,326,495	23,393,488	6.8%	18,681,006	5.4%	120,687,429	35.2%	47.4%	67,357,953	19.6%	113,206,619	33.0%
	% Unexpended	4.99%	0.75%		5.11%		10.87%			6.66%		8.97%	

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

Fiscal Year	Total Current Operations			Education						Health & Human Services		All Other		
				Public Schools		Community Colleges		University		as % of Total	Amount	Percent	Amount	Percent
				Amount	Percent	Amount	Percent	Amount	Percent					
1990-91	Authorization	7,249,630,710 A		3,329,171,720	45.9%	387,611,956	5.3%	1,143,216,957	15.8%	67.0%	1,098,228,128	15.1%	1,291,401,949	17.8%
	Expenditure	6,877,865,221		3,176,190,223	46.2%	374,186,097	5.4%	1,089,669,672	15.8%	67.5%	1,071,202,135	15.6%	1,166,617,094	17.0%
	Reversion	371,765,491		152,981,497	41.1%	13,425,859	3.6%	53,547,285	14.4%	59.2%	27,025,993	7.3%	124,784,857	33.6%
	% Unexpended	5.13%		4.60%		3.46%		4.68%			2.46%		9.66%	
1991-92	Authorization	7,357,101,134 A		3,293,699,663	44.8%	344,131,858	4.7%	1,121,976,740	15.3%	64.7%	1,237,322,428	16.8%	1,359,970,445	18.5%
	Expenditure	7,184,089,741		3,235,476,119	45.0%	338,050,542	4.7%	1,092,166,393	15.2%	64.9%	1,223,468,038	17.0%	1,294,928,649	18.0%
	Reversion	173,011,390		58,223,544	33.7%	6,081,316	3.5%	29,810,346	17.2%	54.4%	13,854,390	8.0%	65,041,794	37.6%
	% Unexpended	2.35%		1.77%		1.77%		2.66%			1.12%		4.78%	
1992-93	Authorization	7,881,908,182 A		3,435,634,234	43.6%	398,689,471	5.1%	1,170,947,533	14.9%	63.5%	1,410,255,601	17.9%	1,466,381,343	18.6%
	Expenditure	7,552,787,565		3,399,653,728	45.0%	391,402,904	5.2%	1,140,308,136	15.1%	65.3%	1,222,683,543	16.2%	1,398,739,254	18.5%
	Reversion	329,120,617		35,980,506	10.9%	7,286,567	2.2%	30,639,398	9.3%	22.5%	187,572,058	57.0%	67,642,088	20.6%
	% Unexpended	4.18%		1.05%		1.83%		2.62%			13.30%		4.61%	
1993-94	Authorization	8,888,710,752 A		3,634,055,711	40.9%	450,882,941	5.1%	1,299,865,905	14.6%	60.6%	1,759,286,096	19.8%	1,744,620,099	19.6%
	Expenditure	8,575,733,017		3,587,786,193	41.8%	447,100,088	5.2%	1,266,772,749	14.8%	61.8%	1,647,826,530	19.2%	1,626,247,457	19.0%
	Reversion	312,977,735		46,269,518	14.8%	3,782,403	1.2%	33,093,156	10.6%	26.6%	111,459,566	35.6%	118,373,092	37.8%
	% Unexpended	3.52%		1.27%		0.84%		2.55%			6.34%		6.79%	
1994-95	Authorization	9,715,509,023 A		4,082,959,317	42.0%	455,651,184	4.7%	1,296,558,991	13.3%	60.1%	1,948,639,177	20.1%	1,931,700,354	19.9%
	Expenditure	9,482,528,320		4,048,929,070	42.7%	453,927,375	4.8%	1,265,809,673	13.3%	60.8%	1,902,007,678	20.1%	1,811,854,524	19.1%
	Reversion	232,980,703		34,030,247	14.6%	1,723,809	0.7%	30,749,318	13.2%	28.5%	46,631,499	20.0%	119,845,830	51.4%
	% Unexpended	2.40%		0.83%		0.38%		2.37%			2.39%		6.20%	
1995-96	Authorization	9,793,062,378		3,998,978,216	40.8%	470,880,697	4.8%	1,301,040,079	13.3%	58.9%	2,049,069,520	20.9%	1,973,093,866	20.1%
	Expenditure	9,570,832,269		3,951,497,059	41.3%	467,105,237	4.9%	1,275,618,898	13.3%	59.5%	1,991,088,366	20.8%	1,885,522,709	19.7%
	Reversion	222,230,109		47,481,157	21.4%	3,775,460	1.7%	25,421,181	11.4%	34.5%	57,981,154	26.1%	87,571,157	39.4%
	% Unexpended	2.27%		1.19%		0.80%		1.95%			2.83%		4.44%	
1996-97	Authorization	10,450,411,229		4,301,626,282	41.2%	501,802,184	4.8%	1,385,611,961	13.3%	59.2%	2,189,874,842	21.0%	2,071,495,960	19.8%
	Expenditure	10,309,508,861		4,267,252,095	41.4%	495,543,157	4.8%	1,382,794,052	13.4%	59.6%	2,153,564,048	20.9%	2,010,355,509	19.5%
	Reversion	140,902,368		34,374,187	24.4%	6,259,027	4.4%	2,817,909	2.0%	30.8%	36,310,794	25.8%	61,140,451	43.4%
	% Unexpended	1.35%		0.80%		1.25%		0.20%			1.66%		2.95%	
1997-98	Authorization	11,258,582,548 B		4,697,892,305	41.7%	534,873,175	4.8%	1,489,866,397	13.2%	59.7%	2,422,884,666 C	21.5%	2,113,066,005	18.8%
	Expenditure	11,108,886,722		4,693,184,126	42.2%	528,107,909	4.8%	1,475,180,196	13.3%	60.3%	2,359,194,346	21.2%	2,053,220,145	18.5%
	Reversion	149,695,826 D		4,708,179	3.1%	6,765,266	4.5%	14,686,201	9.8%	17.5%	63,690,320	42.5%	59,845,860	40.0%
	% Unexpended	1.33%		0.10%		1.26%		0.99%			2.63%		2.83%	
1998-99	Authorization	12,327,025,974		5,068,634,951	41.1%	587,542,475	4.8%	1,628,888,154	13.2%	59.1%	2,663,571,595	21.6%	2,378,388,799	19.3%
	Expenditure	12,177,442,547		5,038,223,817	41.4%	582,222,727	4.8%	1,626,641,628	13.4%	59.5%	2,598,933,047	21.3%	2,331,421,328	19.1%
	Reversion	149,583,427 E		30,411,134	20.3%	5,319,748	3.6%	2,246,526	1.5%	25.4%	64,638,548	43.2%	46,967,471	31.4%
	% Unexpended	1.21%		0.60%		0.91%		0.14%			2.43%		1.97%	
1999-00	Authorization	13,441,610,285		5,497,075,780 F	40.9%	589,634,008	4.4%	1,682,143,914	12.5%	57.8%	2,797,755,988	20.8%	2,875,000,595	21.4%
	Expenditure	13,297,649,285 G		5,450,607,364	41.0%	582,151,546	4.4%	1,679,203,122	12.6%	58.0%	2,776,740,143	20.9%	2,808,947,110	21.1%
	Reversion	143,961,000		46,468,416	32.3%	7,482,462	5.2%	2,940,792	2.0%	39.5%	21,015,845	14.6%	66,053,485	45.9%
	% Unexpended	1.07%		0.85%		1.27%		0.17%			0.75%		2.30%	

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

Fiscal Year	Total Current Operations		Education				Health & Human Services				All Other		
			Public Schools		Community Colleges		University		as % of Total	Amount	Percent	Amount	Percent
			Amount	Percent	Amount	Percent	Amount	Percent					
2000-01	Authorization	13,785,142,760	5,792,274,120	42.0%	644,032,372	4.7%	1,802,069,274	13.1%	59.8%	2,954,057,035	21.4%	2,592,709,959	18.8%
	Expenditure	13,220,036,214	5,671,631,385	42.9%	624,550,046	4.7%	1,767,873,649	13.4%	61.0%	2,884,925,899	21.8%	2,271,055,235	17.2%
	Reversion	565,106,546 H	120,642,735	21.3%	19,482,326	3.4%	34,195,625	6.1%	30.8%	69,131,136	12.2%	321,654,724	56.9%
	% Unexpended	4.10%	2.08%		3.03%		1.90%			2.34%		12.41%	
2001-02	Authorization	14,372,409,843	5,922,450,405	41.2%	650,075,770	4.5%	1,801,953,447	12.5%	58.3%	3,403,041,641	23.7%	2,594,888,580	18.1%
	Expenditure	13,708,199,020	5,815,381,127	42.4%	603,705,902	4.4%	1,647,270,569	12.0%	58.8%	3,273,742,131	23.9%	2,368,099,291	17.3%
	Reversion	664,210,823 H	107,069,278	16.1%	46,369,868	7.0%	154,682,878	23.3%	46.4%	129,299,510	19.5%	226,789,289	34.1%
	% Unexpended	4.62%	1.81%		7.13%		8.58%			3.80%		8.74%	
2002-03	Authorization	14,323,937,462	5,932,964,494	41.4%	667,345,336	4.7%	1,769,913,435	12.4%	58.4%	3,591,717,953	25.1%	2,361,996,244	16.5%
	Expenditure	13,824,364,493	5,872,954,662	42.5%	620,183,204	4.5%	1,686,217,160	12.2%	59.2%	3,346,742,225	24.2%	2,298,267,242	16.6%
	Reversion	499,572,969 H	60,009,832	12.0%	47,162,132	9.4%	83,696,275	16.8%	38.2%	244,975,728	49.0%	63,729,002	12.8%
	% Unexpended	3.49%	1.01%		7.07%		4.73%			6.82%		2.70%	
2003-04	Authorization	14,835,621,783	6,182,040,462	41.7%	683,286,314	4.6%	1,821,404,924	12.3%	58.6%	3,391,464,938	22.9%	2,757,425,145	18.6%
	Expenditure	14,676,583,520	6,166,536,283	42.0%	671,326,024	4.6%	1,793,421,536	12.2%	58.8%	3,344,888,536	22.8%	2,700,411,141	18.4%
	Reversion	159,038,263	15,504,179	9.7%	11,960,290	7.5%	27,983,388	17.6%	34.9%	46,576,402	29.3%	57,014,004	35.8%
	% Unexpended	1.1%	0.3%		1.75%		1.54%			1.37%		2.07%	
2004-05	Authorization	15,873,167,528	6,519,008,204	41.1%	751,146,236	4.7%	1,959,240,757	12.3%	58.1%	3,812,042,289	24.0%	2,831,730,042	17.8%
	Expenditure	15,753,167,545 I	6,483,369,051	41.2%	748,369,052	4.8%	1,953,902,429	12.4%	58.3%	3,785,482,228	24.0%	2,782,044,785	17.7%
	Reversion	119,999,983	35,639,153	29.7%	2,777,184	2.3%	5,338,328	4.4%	36.5%	26,560,061	22.1%	49,685,257	41.4%
	% Unexpended	0.8%	0.5%		0.37%		0.27%			0.70%		1.75%	
2005-06	Authorization	17,141,460,791	6,880,737,717	40.1%	827,719,984	4.8%	2,151,799,848	12.6%	57.5%	4,057,141,594	23.7%	3,224,061,648	18.8%
	Expenditure	16,977,479,186	6,867,308,952	40.4%	824,876,346	4.9%	2,146,047,180	12.6%	57.9%	4,025,185,595	23.7%	3,114,061,113	18.3%
	Reversion	163,981,605	13,428,765	8.2%	2,843,638	1.7%	5,752,668	3.5%	13.4%	31,955,999	19.5%	110,000,535	67.1%
	% Unexpended	1.0%	0.2%		0.34%		0.27%			0.79%		3.41%	
2006-07	Authorization	18,659,616,984	7,403,293,531	39.7%	935,718,292	5.0%	2,444,487,725	13.1%	57.8%	4,282,975,588	23.0%	3,593,141,848	19.3%
	Expenditure	18,455,735,426	7,377,354,362	40.0%	931,214,004	5.0%	2,435,690,255	13.2%	58.2%	4,233,479,600	22.9%	3,477,997,205	18.8%
	Reversion	203,881,558	25,939,169	12.7%	4,504,288	2.2%	8,797,470	4.3%	19.2%	49,495,988	24.3%	115,144,643	56.5%
	% Unexpended	1.1%	0.4%		0.48%		0.36%			1.16%		3.20%	
2007-08	Authorization	20,428,846,612	8,055,773,246	39.4%	990,523,754	4.8%	2,752,879,241	13.5%	57.8%	4,656,473,863	22.8%	3,973,196,508	19.4%
	Expenditure	20,145,647,198	7,977,135,139	39.6%	980,870,382	4.9%	2,713,732,194	13.5%	57.9%	4,633,261,552	23.0%	3,840,647,931	19.1%
	Reversion	283,199,414	78,638,107	27.8%	9,653,372	3.4%	39,147,047	13.8%	45.0%	23,212,311	8.2%	132,548,577	46.8%
	% Unexpended	1.4%	1.0%		0.97%		1.42%			0.50%		3.34%	
2008-09	Authorization	21,226,885,372	8,365,862,894	39.4%	1,016,658,560	4.8%	2,895,358,623	13.6%	57.8%	4,956,587,127	23.4%	3,992,418,168	18.8%
	Expenditure	19,629,407,644	8,141,898,009	41.5%	924,402,451	4.7%	2,573,160,635	13.1%	59.3%	4,353,279,435	22.2%	3,636,667,114	18.5%
	Reversion	1,597,477,728 J	223,964,885	14.0%	92,256,109	5.8%	322,197,988	20.2%	40.0%	603,307,692	37.8%	355,751,054	22.3%
	% Unexpended	7.5%	2.7%		9.07%		11.13%			12.17%		8.91%	
2009-10	Authorization	19,010,057,199	7,544,465,541	39.7%	1,011,884,279	5.3%	2,738,558,775	14.4%	59.4%	3,912,766,229	20.6%	3,802,382,375	20.0%
	Expenditure	18,507,766,990	7,486,556,464	40.5%	945,298,841	5.1%	2,600,397,012	14.1%	59.6%	3,888,458,569	21.0%	3,587,056,104	19.4%
	Reversion	502,290,209 K	57,909,077	11.5%	66,585,438	13.3%	138,161,763	27.5%	52.3%	24,307,660	4.8%	215,326,271	42.9%
	% Unexpended	2.6%	0.8%		6.58%		5.05%			0.62%		5.66%	
2010-11	Authorization	18,958,994,212	7,283,106,776	38.4%	1,050,945,454	5.5%	2,682,309,295	14.1%	58.1%	4,054,984,600	21.4%	3,887,648,087	20.5%
	Expenditure	18,502,920,072	7,261,758,864	39.2%	1,013,809,381	5.5%	2,590,810,462	14.0%	58.7%	4,043,042,916	21.9%	3,593,498,448	19.4%
	Reversion	456,074,140 L	21,347,912	4.7%	37,136,073	8.1%	91,498,833	20.1%	32.9%	11,941,684	2.6%	294,149,639	64.5%
	% Unexpended	2.4%	0.3%		3.53%		3.41%			0.29%		7.57%	

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.
- L The \$456.1 million shown as reversions reflects the requirement of S.L. 2011-15 (Senate Bill 109)
"An Act To Require The Governor To Cut Spending For The Current Fiscal Year".

Earmarking of the Unreserved Fund Balance by Fiscal Year
(Includes Earmarkings / Transfers / Appropriations Directly from Year End Balance)

Fiscal Year	June 30th	Statutory Earmarkings, Transfers and Appropriations of Year-end Fund Balance								Unreserved	
	Unreserved Fund Balance b/f Earmarking	A	Savings Reserve Account	Repairs & Renovations Account	Clean Water Management Trust Fund	B	Tax Relief/ Tax Refunds	Other Earmarking	Appropriation of Reversions	Total	Fund Balance for Subsequent FY Beginning July 1st
1991-92	164,773,001		41,193,253							41,193,253	123,579,748
1992-93	537,330,259		134,332,565	57,000,000						191,332,565	345,997,694
1993-94	622,712,983		155,678,246	60,000,000						215,678,246	407,034,737
1994-95	680,022,275		213,005,569 C	146,305,569 D			28,100,000 E			387,411,138	292,611,137
1995-96	726,581,754		77,342,026	130,000,000	47,100,000 F		26,200,000 G		39,803,567 H	320,445,593	406,136,161
1996-97	759,306,050			174,260,955	49,354,893		156,000,000 I	61,000,000 J		440,615,848	318,690,202
1997-98	784,224,890		21,568,903	145,000,000	47,397,819			400,000,000 L	55,027,680 K	668,994,402	115,230,488
1998-99	514,756,178			150,000,000	31,054,152				37,000,000 M	218,054,152	296,702,026
1999-00	3,869,243		967,311	2,901,932		0 N				3,869,243	0
2000-01	6,350,587					0 M		6,350,587 O		6,350,587	0
2001-02	3,785,997 P									0	25,000,000 p
2002-03	415,543,840 Q		150,000,000	15,000,000						165,000,000	250,543,840 Q
2003-04	482,842,037 R		116,666,064	76,797,361						193,463,425	289,378,612 R
2004-05	802,633,946 S		199,125,000	125,000,000						324,125,000	478,508,946 S
2005-06	1,287,766,872 T		316,151,631 U	222,229,189						538,380,820	749,386,052 T
2006-07	1,541,181,489 V		175,000,000 W	145,000,000						320,000,000	1,221,181,489 V
2007-08	668,876,937 X			Y 69,839,238						69,839,238	599,037,699 X
2008-09	92,237,091 Z									0	92,237,091
2009-10	236,902,394									0	236,902,394 AA
2010-11	1,015,599,914 BB		183,650,000	124,500,000				125,000,000 CC		433,150,000	582,449,914

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.

Earmarking of the Unreserved Fund Balance by Fiscal Year
(Includes Earmarkings / Transfers / Appropriations Directly from Year End Balance)

- E Funds reserved for Future Tax Relief.
- 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.
- K Appropriation of 1997-98 reversions for FY 1997-98 in accordance with S.L. 1998-212, Sec. 9.
- 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.
- BB The unreserved beginning fund balance (prior to earmarking) recognized by the General Assembly in S.L. 2011-145 was \$955,443,193. Fiscal Research published a revised Availability Statement that reflects actual beginning fund balance of \$1,015,599,914 (prior to earmarking) .
- CC Repayment of Medicaid Receipts in FY 2010-11.

Savings Reserve Account at Fiscal Year Ending June 30th

Fiscal Year	Prior Fiscal Year Current Operations Appropriation*	Statutory Goal: 8% of Prior Fiscal Year Operations Appropriation**	Unreserved Fund Balance at Fiscal Year End June 30th	Current Year Earmarking / Appropriation to Savings Reserve	Withdrawals and Adjustments	Savings Reserve Account Balance
1990-1991				141,000,000 A		0
1991-1992	7,726,343,007	386,317,150	164,773,001	41,593,253	0	41,593,253
1992-1993	7,825,507,308	391,275,365	537,330,259	134,332,565	0	175,925,818
1993-1994	8,114,332,336	405,716,617	622,712,983	155,678,246	(121,000,000) B	210,604,064
1994-1995	9,125,084,906	456,254,245	586,422,276 B	213,005,569		423,609,633
1995-1996	10,019,033,177 C	500,951,659	726,581,754	77,342,029	0	500,951,662
1996-1997	9,793,062,378	489,653,119	759,306,050	0	0	500,951,662
1997-1998	10,450,411,229 D	522,520,561	784,224,890	21,568,899	0	522,520,561
1998-1999	11,258,582,548 E	562,929,127	515,077,350	0 F	(200,000,000) G	322,520,561
1999-2000	12,327,025,974 H	616,351,299	3,869,243	967,311	(285,965,824) I	37,522,048
2000-2001	13,441,610,285	672,080,514	6,350,587	120,000,000 J		157,522,048
2001-2002	13,878,542,760	693,927,138	3,785,997 M, N	90,000,000 K	(247,522,048) L	0
2002-2003	14,705,809,843	735,290,492	415,543,840 O	150,000,000		150,000,000
2003-2004	14,320,664,876	716,033,244	482,842,037 P	116,666,064	391,343 Q	267,057,407
2004-2005	14,871,621,783	743,581,089	802,633,946 R	199,125,000	(153,541,447) S	312,640,960
2005-2006	15,897,680,933	794,884,047	1,287,766,872 T	316,151,631 T	0	628,792,591
2006-2007	17,161,861,310	858,093,066	1,541,181,489 U	175,000,000	(17,142,913) V	786,649,678
2007-2008	18,673,708,783	933,685,439	668,876,937 W	0	0	786,649,678
2008-2009	20,441,301,149	1,635,304,092	92,237,091	0	(636,649,678) X	150,000,000
2009-2010	21,239,049,461	1,699,123,957	236,902,394	0	0	150,000,000
2010-2011	18,974,565,403	1,517,965,232	582,449,914	183,650,000	(38,008,589) Y	295,641,411

* 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 payday.

C Includes direct appropriation to Savings Reserve Account (\$66.7 million) and Local Government Shared Revenue (\$236.8 million).

Savings Reserve Account at Fiscal Year Ending June 30th

- 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
- 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
- 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
- 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 operations 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.
- Y S.L. 2010-123, Sec. 1.3 authorized the Director of the Budget to use \$38,008,589 from the Savings Reserve Account to offset the loss of Enhanced FMAP Funds.

Actual Tax Revenues Collected by Major Schedules

Fiscal Year	Individual Income	Corporate Income	Total Income Tax	Sales & Use	Franchise	Inheritance	Alcohol	Insurance	Cigarette/ Tobacco	Soft Drinks	Other	Total Tax Revenue
1970-71	301,755,720	111,841,025	413,596,745	285,893,056	61,924,665	18,808,807	56,382,987	32,368,226	16,361,491	18,550,517	17,558,198	921,444,692
1971-72	361,816,480	122,034,298	483,850,778	324,824,018	71,073,722	22,164,706	60,583,412	35,927,677	18,891,365	19,192,153	15,391,871	1,051,899,702
1972-73	431,222,164	135,086,285	566,308,449	368,746,184	80,622,288	34,030,814	63,957,863	40,802,936	20,228,597	19,724,564	19,575,349	1,213,997,044
1973-74	504,319,052	148,748,753	653,067,805	409,393,909	91,658,623	29,196,269	67,751,142	44,764,328	20,531,733	20,200,510	21,621,149	1,358,185,468
1974-75	549,927,432	165,473,944	715,401,376	423,006,813	111,742,188	26,202,077	70,042,026	47,999,930	20,753,314	18,110,432	17,925,944	1,451,184,100
1975-76	604,792,720	155,685,814	760,478,534	464,756,311	130,193,042	28,280,942	73,323,247	54,809,184	21,473,062	19,765,341	18,765,791	1,571,845,454
1976-77	782,092,041	203,397,684	985,489,725	510,295,335	146,139,025	31,038,176	75,216,249	56,609,311	20,307,632	20,119,909	24,751,396	1,869,966,758
1977-78	848,247,311	228,693,809	1,076,941,120	578,960,737	162,348,177	35,122,343	79,809,085	63,957,032	19,415,339	22,071,726	21,856,189	2,060,481,748
1978-79	996,226,723	252,704,464	1,248,931,187	646,729,888	181,454,337	37,709,225	85,115,511	71,109,177	18,826,236	23,047,831	24,294,753	2,337,218,145
1979-80	1,180,507,067	290,632,136	1,471,139,203	691,902,227	200,814,972	40,077,397	90,461,024	80,258,938	18,031,230	21,970,740	24,558,259	2,639,213,990
1980-81	1,303,517,221	279,803,897	1,583,321,118	737,098,123	235,280,325	43,433,565	95,389,760	86,188,075	18,247,220	22,278,966	24,716,296	2,845,953,448
1981-82	1,449,370,198	277,447,978	1,726,818,176	777,449,131	269,764,189	43,480,619	99,640,685	92,817,199	18,277,757	21,882,630	27,582,451	3,077,712,837
1982-83	1,550,107,336	306,517,039	1,856,624,375	823,400,004	298,560,505	44,071,761	100,343,420	98,116,843	15,618,474	21,829,242	20,460,219	3,279,024,843
1983-84	1,784,986,813	367,823,717	2,152,810,530	998,987,392	326,787,458	66,412,027	101,192,377	106,523,346	14,970,694	23,667,499	23,026,280	3,814,377,603
1984-85	2,023,463,495	489,955,619	2,513,419,114	1,155,845,141	310,142,987	71,203,186	105,075,395	116,107,705	14,907,150	24,607,217	25,414,359	4,336,722,254
1985-86	2,206,749,074	510,675,054	2,717,424,128	1,380,409,070	197,594,803	82,020,611	108,981,903	134,814,850	14,895,376	25,712,882	32,667,227	4,694,520,850
1986-87	2,565,878,217	563,528,678	3,129,406,895	1,451,612,941	206,523,263	73,540,356	112,514,998	139,229,389	11,616,044	24,828,396	31,289,835	5,180,562,117
1987-88	2,686,832,223	625,972,626	3,312,804,849	1,555,266,971	234,779,520	60,728,032	122,479,873	186,461,390	8,484,073	27,365,786	42,918,379	5,551,288,873
1988-89	3,002,323,870	549,432,007	3,551,755,877	1,681,724,768	236,296,779	67,154,138	127,614,668	187,071,844	7,952,400	27,912,071	41,059,561	5,928,542,106
1989-90	3,390,389,817	557,763,530	3,948,153,347	1,762,717,987	262,760,974	72,871,272	145,690,616	176,714,976	15,315,186	28,987,047	148,211,757	6,561,423,162
1990-91	3,534,474,150	493,213,262	4,027,687,412	1,682,340,881	372,888,415	76,790,835	153,753,340	193,240,504	15,190,478	29,752,060	140,861,252	6,692,505,177
1991-92	3,583,017,675	606,195,418	4,189,213,093	2,161,362,545	406,952,650	87,676,257	158,075,821	203,829,955	40,362,907	32,417,808	158,554,573	7,438,445,609
1992-93	3,992,016,392	429,848,526	4,421,864,918	2,344,073,330	419,986,494	89,618,065	159,142,463	198,811,590	42,880,901	34,461,373	172,177,426	7,883,016,560
1993-94	4,254,506,549	487,796,660	4,742,303,209	2,578,846,239	439,287,031	106,533,229	161,133,617	219,439,488	37,925,056	36,538,688	194,749,199	8,516,755,756
1994-95	4,665,474,733	649,389,838	5,314,864,571	2,781,683,390	458,058,989	109,865,448	163,188,783	236,215,989	44,635,750	37,958,080	219,345,056	9,365,816,056
1995-96	4,800,034,948	673,837,774	5,473,872,722	2,958,132,813	355,918,036	112,912,290	145,517,853	242,652,553	46,697,736	39,805,998	83,245,228	9,458,755,229
1996-97	5,329,990,261	717,750,574	6,047,740,835	3,127,673,443	387,811,674	132,068,325	150,208,567	258,503,720	46,677,349	31,347,645	57,115,919	10,239,147,477
1997-98	6,028,870,217	696,338,557	6,725,208,774	3,255,372,048	407,256,555	138,124,663	153,723,510	283,763,234	47,177,218	23,078,645	58,741,873	11,092,446,520
1998-99	6,606,500,278	848,509,669	7,455,009,947	3,376,206,664	409,558,340	169,935,220	158,026,529	291,230,879	44,852,542	12,349,253	48,094,529	11,965,263,904
1999-00	7,080,106,177	903,241,974	7,983,348,151	3,354,897,708	306,979,197	163,327,319	166,372,353	273,367,118	43,663,205	1,285,949	97,737,509	12,390,978,509
2000-01	7,391,342,524	460,315,086	7,851,657,610	3,435,558,577	580,431,850	123,165,443	172,698,910	305,791,331	42,025,877	51,202	61,678,611	12,573,059,411
2001-02	7,134,629,832	409,322,539	7,543,952,371	3,705,769,832	446,270,680	104,750,885	174,644,725	340,785,358	41,531,347	1,855	86,953,961	12,444,661,014
2002-03	7,088,526,873	840,499,824	7,929,026,697	3,922,821,877	429,128,005	112,504,407	170,896,551	408,873,354	41,998,713	0	101,981,180	13,117,230,784
2003-04	7,509,898,086	776,964,847	8,286,862,933	4,222,201,842	445,294,486	128,479,443	182,392,509	423,405,050	43,732,769	0	98,357,842	13,830,726,874
2004-05	8,409,288,618	1,193,529,164	9,602,817,782	4,477,159,178	498,681,391	135,211,344	189,308,658	431,664,202	42,981,044	0	99,734,304	15,477,557,903
2005-06	9,400,167,970	1,204,102,940	10,604,270,910	4,893,911,220	477,055,108	133,379,473	200,845,242	431,729,295	171,636,758	0	107,687,797	17,020,515,803
2006-07	10,507,966,531	1,451,399,198	11,959,365,729	4,995,570,841	531,412,140	161,586,810	212,608,231	475,545,413	241,174,320	0	135,776,844	18,713,040,328
2007-08	10,902,299,190	1,111,668,852	12,013,968,042	4,981,673,149	574,460,805	158,764,850	225,125,416	492,698,607	237,377,533	0	148,954,250	18,833,022,652
2008-09	9,470,227,521	835,457,592	10,305,685,113	4,677,961,056	651,888,376	104,300,000	228,489,902	466,634,797	227,077,126	0	116,517,120	16,778,553,490
2009-10	9,047,631,700	1,197,863,000	10,245,494,700	5,565,041,905	724,521,700	71,879,400	282,330,700	486,905,100	251,735,400	0	116,893,311	17,744,802,216
2010-11	9,734,868,036	1,013,546,433	10,748,414,469	5,871,669,069	607,500,353	23,755,446	275,193,609	480,134,608	265,270,142	0	108,179,026	18,380,116,722

