



FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

2016 ANNOTATED CONFERENCE COMMITTEE REPORT ON THE BASE, EXPANSION, AND CAPITAL BUDGETS

Includes summaries of provisions in S.L. 2016-94, 2016 Appropriations Act (H.B. 1030); S.L. 2016-123, Measurability Assessments/Budget Tech. Corr. (H.B. 805); and other bills and select budget information.

300 N. Salisbury Street, Legislative Office Building Suites 203 & 619
Raleigh, North Carolina 27603-5925
TELEPHONE (919) 733-4910 - FAX (919) 715-3589

<http://www.ncleg.net/FiscalResearch/>

Foreword

This document is an annotated version of the Conference Committee Report on the Base, Expansion, and Capital Budgets for the FY 2016-17 Fiscal Year as enacted in S.L. 2016-94, 2016 Appropriations Act (H.B. 1030), as amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr. (H.B. 805).

The Annotated Report includes all legislative adjustments to the FY 2016-17 budget enacted during the 2016 Legislative Session. Also included are summaries of other related bills and select budgetary information.

This document and other budgetary and fiscal information are available on the division's website at www.ncleg.net/FiscalResearch.

The Fiscal Research Division is a nonpartisan, central staff agency that provides fiscal and policy information to the General Assembly.

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Staff Assignments

Director

Mark Trogdon

Support Staff

Joanne Holcomb

Subcommittee/Departments/Coverage

Analysts

Budget Development

- House and Senate Appropriations Committees
- Statewide Budget Issues
- Appropriations Bill Coordination
- Savings Reserve Account
- Budget Technical Corrections Bill Coordination
- Joint Commission on Governmental Operations

Karen Hammonds-Blanks - House
 Brian Matteson - House

Evan Rodewald - Senate
 Kristin Walker - Senate

Agriculture and Natural and Economic Resources

- Environmental Quality
- Agriculture and Consumer Services
- Commerce
- Commerce-State Aid
- Labor
- Natural and Cultural Resources
- Wildlife Resources Commission

Lanier McRee, Team Leader
 William Childs

Capital

Daniel Sater

Digital Information Management

Chris Black

Economy and Taxation

- Revenue Estimates
- Finance Committees
- Revenue Laws Study Committee
- Economic Issues
- State Bond Proposals

Rodney Bizzell, Team Leader
 Barry Boardman
 Denise Harb Canada
 Brian Slivka
 Jonathan Tart

Education

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

Jennifer Hoffmann, Team Leader
 Brett Altman
 Lisa Fox
 Lauren Metayer

Subcommittee/Departments/Coverage

Analysts

General Government

Administration
Administrative Hearings
Auditor
General Assembly
Governor's Office
Insurance
Housing Finance Agency
Licensing Boards
Lieutenant Governor
Military and Veteran Affairs
Revenue
Secretary of State
State Board of Elections
State Budget and Management
State Controller
State Ethics Commission
State Treasurer

Lisa Hollowell, Team Leader
Cara Bridges

Health and Human Services

Susan Jacobs, Team Leader
Deborah Landry
Steve Owen
Denise Thomas

Information Technology

Daniel Sater

Justice and Public Safety

Public Safety
Judicial
Judicial Indigent Defense
Justice

Kristine Leggett, Team Leader
John Poteat
Mark White

Salaries and Benefits

David Vanderweide
Timothy Dale

Transportation

Bryce Ball
Amna Cameron

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General Fund Availability Statement

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General Fund Availability Statement

	FY 2016-17
1 Unappropriated Balance	175,488,544
2 Projected Over Collections FY 2015-16 (Based on May 2016 Consensus Forecast)	330,200,000
3 Projected Reversions FY 2015-16	420,815,473
4 Earmarkings of Year End Fund Balance:	
5 Savings Reserve	(473,616,801)
6 Repairs and Renovations	(81,400,000)
7 Adjustment from Projected to Actual FY 2015-16 Beginning Unreserved Fund Balance ¹	208,607,416
8 Beginning Unreserved Fund Balance	580,094,632
9	
10 Revenues Based on Existing Tax Structure	21,417,800,000
11	
12 Non-tax Revenues	
13 Investment Income	37,500,000
14 Judicial Fees	242,600,000
15 Disproportionate Share	147,000,000
16 Insurance	77,000,000
17 Master Settlement Agreement (MSA)	127,400,000
18 Other Non-tax Revenues	178,700,000
19 Subtotal Non-tax Revenues	810,200,000
20	
21 Adjustment for Medicaid Transformation Fund (S.L. 2015-241)	(150,000,000)
22	
23 Total General Fund Availability	22,658,094,632
24	
25 Adjustments to Availability: 2016 Session	
26 Individual Income Tax - Increase Standard Deduction	(145,000,000)
27 Sales Tax - Exempt Styrofoam Pellets for Alternative Wastewater System Materials	(1,000,000)
28 Sales Tax - Limit Repair and Maintenance Tax on Airplanes and Boats (Direct Pay Option)	(500,000)
29 Sales Tax - Repeal Automotive Service Contracts (RMI Services Taxable)	(1,600,000)
30 Sales Tax - Modify Base on RMI - Removes Retail/Non-retail Distinction, Applies Capital Improvement Test	22,400,000
31 Sales Tax - Elimination of State Contribution to Local Sales Tax Distribution	17,600,000
32 Mill Machinery Tax - Expand 1%/\$80 rate to Secondary and Precious Metal Recyclers, Metal Fabricators, and Ports	(6,000,000)
33 Adjustment for Transfer from Treasurer's Office	517,872
34 Adjustment for Transfer from Insurance Regulatory Fund	2,532,502
35 Adjustment for Transfer from NCGA Special Fund	3,000,000
36	
37 Subtotal Adjustments to Availability: 2016 Session	(108,049,626)
38	
39 Revised General Fund Availability	22,550,045,006
40	
41 Less General Fund Appropriations	(22,341,437,590)
42	
43 Unappropriated Balance Remaining	208,607,416

¹ The adjustment is comprised of an additional \$98.8 million in overcollections and an additional \$108.8 million in reversions.

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Summary: General Fund Appropriations

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Summary of General Fund Appropriations						
Fiscal Year 2016-17						
2016 Legislative Session						
(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)						
		Legislative Changes				Revised Net
	Enacted Budget 2016-17	Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	Appropriation 2016-17
Education:						
Community Colleges	1,065,895,520	(8,158,427)	38,253,619	30,095,192	3.00	1,095,990,712
Public Education	8,419,444,621	230,071,120	83,859,839	313,930,959	2.00	8,733,375,580
University System	2,683,307,927	92,719,978	76,260,216	168,980,194	1.00	2,852,288,121
Total Education	12,168,648,068	314,632,671	198,373,674	513,006,345	6.00	12,681,654,413
Health and Human Services:						
Central Management and Support	130,033,253	8,461,308	481,461	8,942,769	3.00	138,976,022
Aging and Adult Services	43,815,337	789,395	19,926	809,321	2.00	44,624,658
Blind and Deaf / Hard of Hearing Services	8,173,207	64,783	26,870	91,653	0.00	8,264,860
Child Development and Early Education	243,033,976	6,136,602	(12,812,385)	(6,675,783)	0.00	236,358,193
Health Service Regulation	16,110,674	311,628	157,624	469,252	0.00	16,579,926
Medical Assistance	3,916,237,272	(302,373,244)	(7,951,678)	(310,324,922)	25.00	3,605,912,350
Mental Health, Dev. Disabilities, & Sub. Abuse Services	537,861,308	14,435,912	10,737,904	25,173,816	0.00	563,035,124
NC Health Choice	746,758	(4,611,877)	4,962,708	350,831	0.00	1,097,589
Public Health	148,298,428	2,281,537	17,356,689	19,638,226	3.00	167,936,654
Social Services	185,533,263	(309,220)	14,679,433	14,370,213	25.00	199,903,476
Vocational Rehabilitation	37,752,132	269,966	186,551	456,517	0.00	38,208,649
Total Health and Human Services	5,267,595,608	(274,543,210)	27,845,103	(246,698,107)	58.00	5,020,897,501
Justice and Public Safety:						
Public Safety	1,847,365,626	40,663,119	20,486,612	61,149,731	(17.00)	1,908,515,357
Judicial Department	484,126,321	19,673,179	7,970,544	27,643,723	5.00	511,770,044
Judicial - Indigent Defense	116,629,964	2,184,842	4,356,503	6,541,345	0.00	123,171,309
Justice	52,715,592	1,228,150	4,312,286	5,540,436	3.00	58,256,028
Total Justice and Public Safety	2,500,837,503	63,749,290	37,125,945	100,875,235	(9.00)	2,601,712,738
Agriculture and Natural and Economic Resources:						
Agriculture and Consumer Services	116,955,773	1,865,766	7,707,064	9,572,830	10.00	126,528,603
Commerce	57,596,128	1,047,792	19,207,619	20,255,411	7.00	77,851,539
Commerce - State Aid	18,055,810	400,000	250,000	650,000	0.00	18,705,810
Environmental Quality	82,429,609	80,161	19,686,915	19,767,076	(4.00)	102,196,685
Natural and Cultural Resources	169,289,403	1,844,203	12,939,921	14,784,124	9.10	184,073,527
Natural and Cultural Resources - Roanoke Island	523,384	0	0	0	0.00	523,384
Labor	15,822,235	178,030	120,400	298,430	(1.00)	16,120,665
Wildlife Resources Commission	10,023,496	136,774	168,834	305,608	0.00	10,329,104
Total Agriculture, Natural and Economic Resources	470,695,838	5,552,726	60,080,753	65,633,479	21.10	536,329,317

Summary of General Fund Appropriations						
Fiscal Year 2016-17						
2016 Legislative Session						
(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)						
		Legislative Changes				Revised Net
	Enacted Budget 2016-17	Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	Appropriation 2016-17
General Government:						
Administration	58,664,485	1,421,868	3,922,160	5,344,028	11.20	64,008,513
Auditor	12,004,791	246,781	254,278	501,059	0.00	12,505,850
General Assembly	57,009,051	5,941,422	1,926,673	7,868,095	1.00	64,877,146
Governor	5,566,174	71,196	36,052	107,248	0.00	5,673,422
Governor - Special Projects	2,000,000	235	78	313	0.00	2,000,313
Housing Finance Agency	25,660,000	0	5,000,000	5,000,000	0.00	30,660,000
Insurance	38,355,246	857,692	1,674,810	2,532,502	3.00	40,887,748
Lieutenant Governor	677,972	20,384	5,253	25,637	0.00	703,609
Military and Veterans Affairs	7,806,254	168,632	44,715	213,347	2.00	8,019,601
Office of Administrative Hearings	5,143,413	68,598	34,698	103,296	0.00	5,246,709
Revenue	80,457,679	1,024,913	866,238	1,891,151	0.00	82,348,830
Secretary of State	11,750,695	796,216	82,697	878,913	6.00	12,629,608
State Board of Elections	6,513,363	77,707	39,305	117,012	0.00	6,630,375
State Budget and Management	7,531,408	386,157	54,606	440,763	3.00	7,972,171
State Budget and Management - Special	2,000,000	500,000	20,200,000	20,700,000	0.00	22,700,000
State Controller	22,726,386	239,742	121,264	361,006	0.00	23,087,392
Treasurer - Operations	10,348,384	(141,698)	460,706	319,008	0.00	10,667,392
Fire Rescue National Guard Pensions & LDD Benefits	21,691,299	5,197,982	0	5,197,982	0.00	26,889,281
Total General Government	375,906,600	16,877,827	34,723,533	51,601,360	26.20	427,507,960
Department of Information Technology	0	43,199,048	98,881	43,297,929	91.75	43,297,929
Statewide Reserves and Debt Service:						
Debt Service:						
Interest / Redemption	701,849,215	1,253,023	0	1,253,023	0.00	703,102,238
Federal Reimbursement	1,616,380	0	38,000,000	38,000,000	0.00	39,616,380
Subtotal Debt Service	703,465,595	1,253,023	38,000,000	39,253,023	0.00	742,718,618
Statewide Reserves:						
Contingency and Emergency Fund	5,000,000	0	0	0	0.00	5,000,000
Compensation Bonus Reserve - Executive Branch	0	0	28,103,159	28,103,159	0.00	28,103,159
Salary Adjustment Reserve	25,000,000	0	0	0	0.00	25,000,000
OSHR Minimum of Market Reserve	12,000,000	(12,000,000)	0	(12,000,000)	0.00	0
Reserve for Future Benefit Needs	71,000,000	(867,331)	0	(867,331)	0.00	70,132,669
Workers' Compensation Reserve	21,500,543	0	0	0	0.00	21,500,543
Information Technology Reserve	21,320,843	(21,320,843)	0	(21,320,843)	0.00	0
Information Technology Fund	21,681,854	(21,681,854)	0	(21,681,854)	0.00	0

Summary of General Fund Appropriations						
Fiscal Year 2016-17						
2016 Legislative Session						
(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)						
		Legislative Changes				Revised Net
	Enacted Budget 2016-17	Recurring Changes	Nonrecurring Changes	Net Changes	FTE Changes	Appropriation 2016-17
Job Development Investment Grants (JDIG)	71,728,126	0	(10,000,000)	(10,000,000)	0.00	61,728,126
One North Carolina Fund	9,000,000	0	(417,883)	(417,883)	0.00	8,582,117
Film and Entertainment Grant Fund	30,000,000	0	0	0	0.00	30,000,000
Pending Legislation Reserve	0	1,000,000	200,000	1,200,000	0.00	1,200,000
Public Schools Average Daily Membership (ADM)	107,000,000	(107,000,000)	0	(107,000,000)	0.00	0
UNC System Enrollment Growth Reserve	31,000,000	(31,000,000)	0	(31,000,000)	0.00	0
State Emergency Response and Disaster Relief Fund	0	0	10,000,000	10,000,000	0.00	10,000,000
Subtotal Statewide Reserves	426,231,366	(192,870,028)	27,885,276	(164,984,752)	0.00	261,246,614
Total Reserves and Debt Service	1,129,696,961	(191,617,005)	65,885,276	(125,731,729)	0.00	1,003,965,232
Total General Fund for Operations	21,913,380,578	(22,148,653)	424,133,165	401,984,512	194.05	22,315,365,090
Capital Improvements						
Armory and Facility Development Projects	5,087,500	0	(69,000)	(69,000)	0.00	5,018,500
NC National Guard Helipad Planning	0	0	69,000	69,000	0.00	69,000
Wilkes County Armory Supplement	0	0	300,000	300,000	0.00	300,000
Agriculture and Consumer Services Horse Stables	0	0	165,000	165,000	0.00	165,000
Water Resources Development Projects	0	0	6,270,000	6,270,000	0.00	6,270,000
Dupont State Recreational Forest Construction Projects	0	0	3,000,000	3,000,000	0.00	3,000,000
Camp Butner Land Buffer	0	0	250,000	250,000	0.00	250,000
NCSU Engineering Building	1,000,000	0	0	0	0.00	1,000,000
Western School of Medicine/UNC School of Medicine	0	0	8,000,000	8,000,000	0.00	8,000,000
UNC-Asheville Land Acquisition	0	0	2,000,000	2,000,000	0.00	2,000,000
Total Capital Improvements	6,087,500	0	19,985,000	19,985,000	0.00	26,072,500
Total General Fund Budget	21,919,468,078	(22,148,653)	444,118,165	421,969,512	0.00	22,341,437,590

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Education Section F

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**Public Education
Budget Code 13510**

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$12,647,946,284
Receipts	\$4,228,501,663
<hr/>	
Net Appropriation	\$8,419,444,621

Legislative Changes

Requirements	\$371,247,337
Receipts	\$57,316,378
<hr/>	
Net Appropriation	\$313,930,959

Revised Budget

Requirements	\$13,019,193,621
Receipts	\$4,285,818,041
<hr/>	
Net Appropriation	\$8,733,375,580

General Fund FTE

Enacted Budget	1,158.83
Legislative Changes	2.00
<hr/>	
Revised Budget	1,160.83

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Public Education		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13510										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1000	DPI - Executive and Administrative Functions	8,458,379	4,146,166	4,312,213	140,000	-	140,000	8,598,379	4,146,166	4,452,213
1021	DPI - Education Innovations - 21st Century Schools	1,477,912	195,377	1,282,535	-	-	-	1,477,912	195,377	1,282,535
1100	DPI - Assistance to Districts and Schools	29,109,628	22,780,817	6,328,811	-	-	-	29,109,628	22,780,817	6,328,811
1300	DPI - Financial and Business Services	1,363,745	827,172	536,573	-	-	-	1,363,745	827,172	536,573
1330	DPI - Student and School Support Services	16,757,832	13,068,135	3,689,697	-	-	-	16,757,832	13,068,135	3,689,697
1400	Office of Early Learning	77,194,067	69,494,475	7,699,592	-	-	-	77,194,067	69,494,475	7,699,592
1410	NC Center for the Advancement of Teaching	3,299,279	200	3,299,079	-	-	-	3,299,279	200	3,299,079
1450	K-3 Assessment	2,748,986	2,748,986	-	-	-	-	2,748,986	2,748,986	-
1500	DPI - Technology Services	11,333,967	3,668,123	7,665,844	-	-	-	11,333,967	3,668,123	7,665,844
1600	DPI - Curriculum, Instruction, Accountability & Tech	59,153,714	48,202,189	10,951,525	-	-	-	59,153,714	48,202,189	10,951,525
1640	DPI - Educator Quality and Recruitment	19,806,930	18,958,909	848,021	-	-	-	19,806,930	18,958,909	848,021
1660	DPI - Special Populations	46,938,021	43,708,664	3,229,357	-	-	-	46,938,021	43,708,664	3,229,357
1800	K-12 Classroom Instruction -SPSF	7,099,072,258	558,519,541	6,540,552,717	18,039,214	55,914,131	(37,874,917)	7,117,111,472	614,433,672	6,502,677,800
1808	SPSF - Statewide System Ops and Maintenance	10,258,861	-	10,258,861	-	-	-	10,258,861	-	10,258,861
1810	SPSF - Local Education Agency - Administration	94,781,435	-	94,781,435	(2,500,000)	-	(2,500,000)	92,281,435	-	92,281,435
1811	Assistance to Districts and Schools - SPSF	2,063,612,732	2,063,612,732	-	-	-	-	2,063,612,732	2,063,612,732	-
1821	SPSF - Ed Innovations - 21st Century Schools	32,773,365	-	32,773,365	-	-	-	32,773,365	-	32,773,365
1830	SPSF - Student and School Support Services	702,051,034	202,489,369	499,561,665	(2,800,000)	-	(2,800,000)	699,251,034	202,489,369	496,761,665
1840	SPSF - Teacher Quality and Recruitment	459,798,944	459,798,944	-	-	-	-	459,798,944	459,798,944	-
1860	SPSF - Special Populations	1,647,204,991	694,936,512	952,268,479	(2,349,715)	-	(2,349,715)	1,644,855,276	694,936,512	949,918,764
1862	NC School for the Deaf	8,507,042	237,283	8,269,759	-	-	-	8,507,042	237,283	8,269,759
1863	Eastern NC School for the Deaf	7,750,157	242,584	7,507,573	-	-	-	7,750,157	242,584	7,507,573
1864	Governor Morehead School and Preschool	5,633,038	196,114	5,436,924	-	-	-	5,633,038	196,114	5,436,924
1870	SPSF - LEA - Supplemental Benefits	176,995,085	-	176,995,085	-	-	-	176,995,085	-	176,995,085
1900	Reserves and Transfers	52,233,916	20,669,371	31,564,545	6,962,500	-	6,962,500	59,196,416	20,669,371	38,527,045
1901	Pass-through Grants	9,630,966	-	9,630,966	1,240,000	-	1,240,000	10,870,966	-	10,870,966
Department-wide Items										
N/A	Compensation Reserve	-	-	-	257,738,184	N/A	257,738,184	257,738,184	N/A	257,738,184
N/A	State Retirement Contributions	-	-	-	46,843,850	N/A	46,843,850	46,843,850	N/A	46,843,850
Undesignated										
N/A	Department of Public Instruction	-	-	-	(250,000)	-	(250,000)	(250,000)	-	(250,000)
N/A	Enrollment Adjustment	-	-	-	48,183,304	1,402,247	46,781,057	48,183,304	1,402,247	46,781,057
Total		\$12,647,946,284	\$4,228,501,663	\$8,419,444,621	\$ 371,247,337	\$ 57,316,378	\$ 313,930,959	\$13,019,193,621	\$4,285,818,041	\$8,733,375,580

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Public Education					
Budget Code 13510		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	DPI - Executive and Administrative Functions	51.99	2.00	-	53.99
1021	DPI - Education Innovations - 21st Century Schools	34.13	-	-	34.13
1100	DPI - Assistance to Districts and Schools	84.50	-	-	84.50
1300	DPI - Financial and Business Services	41.00	-	-	41.00
1330	DPI - Student and School Support Services	97.37	-	-	97.37
1400	Office of Early Learning	86.25	-	-	86.25
1410	NC Center for the Advancement of Teaching	46.50	-	-	46.50
1450	K-3 Assessment	11.50	-	-	11.50
1500	DPI - Technology Services	94.00	-	-	94.00
1600	DPI - Curriculum, Instruction, Accountability & Tech	150.80	-	-	150.80
1640	DPI - Educator Quality and Recruitment	36.09	-	-	36.09
1660	DPI - Special Populations	76.70	-	-	76.70
1800	K-12 Classroom Instruction -SPSF	-	-	-	-
1808	SPSF - Statewide System Ops and Maintenance	-	-	-	-
1810	SPSF - Local Education Agency - Administration	-	-	-	-
1811	Assistance to Districts and Schools - SPSF	-	-	-	-
1821	SPSF - Ed Innovations - 21st Century Schools	-	-	-	-
1830	SPSF - Student and School Support Services	-	-	-	-
1840	SPSF - Teacher Quality and Recruitment	-	-	-	-
1860	SPSF - Special Populations	-	-	-	-
1862	NC School for the Deaf	140.00	-	-	140.00
1863	Eastern NC School for the Deaf	128.25	-	-	128.25
1864	Governor Morehead School and Preschool	79.75	-	-	79.75
1870	SPSF - LEA - Supplemental Benefits	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
1901	Pass-through Grants	-	-	-	-
Total FTE		1,158.83	2.00	-	1,160.83

Public Education

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$8,419,444,621

Legislative Changes

A. Reserve for Salaries and Benefits

1 Compensation Increase Reserve - Educators

\$190,947,111 R

Fund Code: N/A

Funds salary increases for educators paid in accordance with the statewide teacher salary schedule as well as an experience-based step increase for educators earning a year of creditable experience. Together, these increases provide, on average, a 4.7% increase for educators, and increase the expected average salary for educators from all fund sources to over \$50,150 in FY 2016-17. The changes to the teacher salary schedule provide annual salary increases for educators earning a year of creditable service for the first 15 years of experiences. The salary schedule retains the tier-based system for educators with 16 or more years of creditable service. A corresponding special provision provides additional details on the changes to the teacher salary schedule.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Sec. 9.1)

2 Compensation Increase Reserve - School-based Administrators (SBAs)

\$8,443,728 R
\$1,610,575 NR

Fund Code: N/A

Provides funds for a 1.5% annual recurring salary increase, a 0.5% nonrecurring bonus, and an experience-based step increase for SBAs. A corresponding special provision provides additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 9.2, 36.14, 36.16, and 36.17)

3 Compensation Increase Reserve - Other LEA Personnel \$21,032,217 R
Fund Code: N/A \$7,010,739 NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State-funded LEA employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 9.5, 9.6, 36.14, 36.16, and 36.17)

4 Compensation Bonus Reserve - Non-educator LEA Employees \$17,242,627 NR
Fund Code: N/A

Provides funding for one-time merit-based bonuses for non-educators LEA employees. Each LEA, with guidance from the State Board of Education, shall develop policies for the allocation of merit-based bonuses. Merit-based bonuses provided by employing agencies shall not be considered compensation for retirement purposes. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million. (S.L. 2016-94, Sec. 36.1A)

5 Compensation Increase Reserve - DPI \$1,227,599 R
Fund Code: N/A \$223,588 NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. In addition, funds are provided for salary increases for State agency teachers who are paid in accordance with the Statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

6 State Retirement Contributions - School District Personnel \$18,594,062 R
Fund Code: N/A \$27,891,094 NR

Increases the State’s contribution for members of the Teachers’ and State Employees’ Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 26.20 and 26.21)

7 State Retirement Contributions - DPI \$143,478 R
Fund Code: N/A \$215,216 NR

Increases the State’s contribution for members of TSERS to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 26.20 and 26.21)

8 3rd Grade Reading Teacher Performance Pilot Program \$10,000,000 NR
Fund Code: N/A

Funds a new 3rd grade reading teacher performance pilot program. This 2-year pilot program will provide bonuses to the top 25% of 3rd grade reading teachers statewide and the top 25% of 3rd grade reading teachers within each school district (LEA) based on each teacher’s Education Value-Added Assessment System (EVAAS) student growth index score for reading from the prior school year. A corresponding special provision provides additional program details. The revised net appropriation for the 3rd Grade Reading Teacher Performance Pilot program is \$10.0 million. (S.L. 2016-94, Sec. 9.7)

B. Technical Adjustments

9 Average Daily Membership (ADM) \$46,781,057 R
Fund Code: N/A

Adjusts total requirements in multiple public schools funding allotments to account for a net ADM increase of 5,875. The adjustment includes revisions to all position, dollar, and categorical allotments.

Total allotted public schools ADM for FY 2016-17 is 1,543,518. (H.B. 1140/S.B. 885)

10 Noninstructional Support Personnel (\$57,316,378) R
Fund Code: 1800

Budgets additional Lottery receipts for the noninstructional support personnel allotment. Total requirements for this allotment remain the same at \$372,266,860, and this allotment will now be fully receipt-supported. The revised net appropriation for noninstructional support personnel is \$0.

11 Exceptional Children Headcount (\$2,349,715) R
Fund Code: 1860

Adjusts funding for the Children with Disabilities preschool and school-age allotments to reflect actual student headcount. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2016 headcount and does not modify per-student funding.

C. Public School Funding Adjustments

12 Advanced Placement/International Baccalaureate Teacher Bonuses \$4,300,000 NR
Fund Code: 1800

Provides funding to support a 2-year pilot program that will make a \$50 bonus payment to teachers of record for students taking either Advanced Placement (AP) or International Baccalaureate (IB) courses and achieving a certain grade on AP or IB examinations. Bonuses shall be awarded to teachers of Advanced Placement courses for students who earn scores of 3 or higher on AP exams and to teachers of IB Diploma Programme courses for students who score 4 or higher on IB exams. The revised net appropriation for Advanced Placement/International Baccalaureate teacher bonuses is \$4.3 million. (S.L. 2016-94, Sec. 8.8)

13 Career and Technical Education (CTE) Teacher Bonuses \$600,000 NR
Fund Code: 1800

Provides funding to support a 2-year pilot program that will make a \$25 or \$50 bonus payment to teachers of record for students that complete a CTE class and pass a related examination leading to industry certifications and/or credentials. The State Board of Education (SBE) shall rank each industry certification based on academic rigor and employment value in order to classify eligibility for \$25 and \$50 teacher bonuses. The revised net appropriation for CTE teacher bonuses is \$600,000. (S.L. 2016-94, Sec. 8.9)

14 Instructional Supplies \$2,500,000 R
Fund Code: 1800

Provides additional support for the instructional materials, supplies and equipment (instructional supplies) allotment. The revised net appropriation for instructional supplies is \$47.0 million. (H.B.1140/S.B. 885)

15 Advanced Placement Summer Professional Development Institutes

Fund Code: 1800 \$126,000 NR

Provides support to the North Carolina AP partnership to pay for at least 1 teacher from every LEA to participate in summer professional development institutes. The revised net appropriation for the AP partnership is \$1.6 million.

16 Digital Learning Plan

Fund Code: 1800 \$4,000,000 R
\$700,000 NR

Provides funds to accelerate implementation of several components of the State's Digital Learning Plan (DLP) for public schools. Funds will support DLP management, school and district leadership development, teacher professional development, mobile device management and digital literacy skills evaluation. The revised net appropriation for DLP activities is \$4.7 million. (H.B. 660; S.L. 2016-94, Sec. 8.23)

17 Textbooks and Digital Materials

Fund Code: 1800 \$10,000,000 NR

Provides additional funds for the textbooks and digital materials allotment. LEAs may utilize funds from this allotment to purchase digital content made available by the Department of Public Instruction (DPI) through its Home Base system. The revised net appropriation for textbooks and digital materials is \$71.5 million.

18 At-Risk Student Supplemental Funding (At-Risk)

Fund Code: 1800 (\$4,784,539) R
\$2,000,000 NR

Reduces funding set aside to support grants to 17 after-school providers from the at-risk allotment. The revised net appropriation for the after-school provider grant program is \$3.1 million. A related provision specifies the allocation of funds within the after-school provider grant program. Base allotment funding to LEAs for the at-risk allotment remains unchanged with a net appropriation of \$284.8 million. The revised net appropriation for the at-risk allotment is \$287.9 million. (S.L. 2016-94, Sec. 8.25)

19 Central Office Administration

Fund Code: 1810 (\$2,500,000) R

Reduces funding for the central office administration allotment by 2.6%. This allotment supports the salary and benefits of LEA administrative personnel such as superintendents, assistant superintendents, and finance officers. The revised net appropriation for the central office administration allotment is \$92.6 million.

20 Transportation

Fund Code: 1830 (\$2,000,000) R

Reduces the diesel fuel component of this allotment on the basis of adjusting the budgeted price per gallon from \$2.17 to \$2.09 to reflect lower projected diesel fuel costs. The revised net appropriation for the transportation allotment is \$399.4 million. (H.B. 1140/S.B. 885)

<p>21 Panic Alarms</p> <p>Fund Code: 1830</p> <p>Modifies funding to reflect the anticipated completion of the last phase of panic alarm installation that began in FY 2013-14, as authorized by S.L. 2013-360. Nonrecurring funds are provided to complete the last panic alarm installations in FY 2016-17. Recurring funding will no longer be required to complete the installation of the alarms after the end of this biennium. The revised net appropriation for panic alarms is \$100,000. (H.B. 1140/S.B. 885)</p>	<p>(\$900,000) R</p> <p>\$100,000 NR</p>
<p>22 Teacher Compensation Models and Advanced Teaching Roles</p> <p>Fund Code: 1900</p> <p>Creates a new 3-year pilot program to be administered by the SBE. The pilot will support LEA efforts to create the organization structure and innovative compensation methods that would allow classroom teachers to take on advanced teaching roles. The revised net appropriation for the teacher compensation models and advanced teaching roles pilot program is \$1.1 million, \$100,000 of which is nonrecurring. (S.L. 2016-94, Sec. 8.7)</p>	<p>\$1,000,000 R</p> <p>\$100,000 NR</p>
<p>23 North Carolina Educational Endowment Fund</p> <p>Fund Code: 1900</p> <p>Provides funding for the North Carolina Educational Endowment Fund (Fund). The purpose of the Fund is to support teacher compensation that is related directly to improving student academic outcomes in the State's public schools. The revised net appropriation for the Fund is \$5.0 million. (S.L. 2016-94, Sec. 8.29)</p>	<p>\$5,000,000 R</p>
<p>D. Grants</p>	
<p>24 Teacher Assistants Tuition Reimbursement Program</p> <p>Fund Code: 1900</p> <p>Provides funding for the Teacher Assistants Tuition Reimbursement program, an initiative to provide tuition reimbursement of up to \$4,500 annually for 25 teacher assistants in Anson, Franklin, Moore, Richmond, and Scotland Counties that are employed by those LEAs and are pursuing a college degree that will result in teacher licensure. The revised net appropriation for the Teacher Assistants Tuition Reimbursement program is \$112,500. (S.B. 594)</p>	<p>\$112,500 R</p>
<p>25 Triangle Literacy Council</p> <p>Fund Code: 1901</p> <p>Provides support to the Triangle Literacy Council to establish new juvenile literacy centers to serve court-involved or otherwise at-risk youth. The revised net appropriation for the Triangle Literacy Council is \$690,000.</p>	<p>\$690,000 NR</p>

26 Muddy Sneakers

Fund Code: 1901 \$500,000 NR

Provides funds to Muddy Sneakers to support and expand its experiential learning programs to improve the science aptitude of 5th graders through supplemental, hands-on field instruction of the State science standards. The revised net appropriation for Muddy Sneakers is \$500,000.

27 Communities in Schools of Cape Fear

Fund Code: 1901 \$50,000 NR

Provides funds to support the intervention programs and services provided by Communities in Schools of Cape Fear (CISCF) to address the needs of public school students at risk of grade level retention and dropout from school. The revised net appropriation for CISCF is \$50,000.

F. Department of Public Instruction

28 Department of Public Instruction

Fund Code: N/A (\$250,000) NR

Reduces net appropriation support for DPI by 0.5%. The SBE may allocate this reduction at its discretion, subject to the parameters of a related provision. The revised net appropriation for DPI operations is \$44.6 million.

29 State Board of Education Legal Services

Fund Code: 1000 \$140,000 R
2.00

Provides funding to support the establishment of an attorney and a paralegal position to support additional requirements related to S.B. 867, 2016 Session of the 2015 Regular Session, Protect Students in Schools. This item is contingent upon S.B. 867 becoming law. If S.B. 867 does not become law, these funds shall not be spent and shall revert to the General Fund. The revised net appropriation for Legal Services would be \$749,176.

(S.B. 867 did not become law and these funds will revert to the General Fund.)

30 Licensure System Update

Fund Code: 1900 \$250,000 NR

Provides funding to update the DPI Online Licensure System for additional requirements related to S.B. 867, 2016 Session of the 2015 Regular Session, Protect Students in Schools. This item is contingent upon S.B. 867 becoming law. If S.B. 867 does not become law, these funds shall not be spent and shall revert to the General Fund. The revised net appropriation for Legal Services would be \$250,000.

(Technical Correction: The last sentence is incorrect. It should note that the revised net appropriation for Licensure would be \$250,000.)

(S.B. 867 did not become law and these funds will revert.)

31 Alternative Teacher Preparation Pilot Program

Fund Code: 1900 \$500,000 NR

Provides funding to support up to 5 local alternative teacher preparation pilot programs and for an independent research organization to evaluate the effectiveness of those programs newly authorized in this Act. Up to \$200,000 shall be reserved for the evaluation and at least \$300,000 shall be available to allocate equally amongst the participating pilot programs. The revised net appropriation for the alternative teacher preparation pilot program is \$500,000. (S.B. 836; S.L. 2016-94, Sec. 8.27)

Total Legislative Changes	\$230,071,120	R
	\$83,859,839	NR
Total Position Changes		2.00
Revised Budget	\$8,733,375,580	

Special Provisions

2016 Session: HB 1030

Department: Public Education

Section: 8.1

Title: **FUNDS FOR CHILDREN WITH DISABILITIES**

Summary Provides \$3,985.53 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 allotted average daily membership (ADM). (H.B. 1140/S.B. 885)

Section: 8.2

Title: **FUNDS FOR ACADEMICALLY GIFTED CHILDREN**

Summary Provides \$1,295.27 per child for academically and intellectually gifted children to each LEA for a maximum of 4% of each LEA's allotted ADM for the 2016-17 school year. (H.B. 1140/S.B. 885)

Section: 8.4

Title: **SMALL COUNTY SUPPLEMENTAL FUNDS ELIGIBILITY**

Summary Modifies the eligibility criteria for Small County Supplemental Funding to allow school districts (LEAs) to receive funds if either the higher of the first two months total projected ADM for the current fiscal year or the prior fiscal year would make the LEA eligible.

Section: 8.5

Title: **DRIVERS EDUCATION PROGRAM FUNDS**

Summary Strikes language from Section 8.39 of S.L. 2015-241 that would have sunset certain Drivers Education provisions on December 31, 2017. As a result, these provisions will remain in force until otherwise modified by a future General Assembly. The provisions include prohibiting LEAs from transferring other State funds into the Drivers Education funding allotment and permitting LEAs to waive or reduce Drivers Education program fees for students unable to pay due to economic hardship.

Section: 8.7

Title: **TEACHER COMPENSATION MODELS AND ADVANCED TEACHING ROLES**

Summary Establishes a 3-year pilot program (Pilot) to develop advanced teaching roles and organizational models that link teacher performance and professional growth to salary increases for classroom teachers in selected LEAs.

Subsection (a) defines a classroom teacher as a teacher who works in the classroom providing instruction for at least 70% of the instructional day. This subsection defines the Pilot's purpose: (i) to allow highly effective classroom teachers to be accountable for the performance of a larger number of students or by leading a school-wide effort to implement new instructional models to improve school-wide performance; (ii) to enable LEAs to provide salary supplements to classroom teachers in advanced teaching roles; (iii) to enable LEAs to create innovative compensation models that focus on classroom teacher professional growth and student outcomes; and, (iv) to utilize local plans to establish organizational changes related to compensation to sustain evidence based teaching practices that can be replicated.

Subsection (b) establishes a structure for identifying and selecting Pilot participants. Pilot proposals must be submitted by October 15, 2016 to the State Board of Education (SBE) and must address the following facets: (i) program structure; (ii) descriptions of the advanced teaching roles, including minimum qualifications of criteria such as advanced certifications, a rating of accomplished on the Teacher Evaluation Standards, evidence of having exceeded expected student growth based on 3 years of teacher evaluation data, or equivalent demonstrated mastery of teaching skills; (iii) job responsibilities that include teaching an increased number of students and being accountable for their performance, becoming a lead classroom teacher among a group of teachers, leading a school-wide effort to implement data-driven instructional models, or training that certifies the teacher as an in-house provider of professional development; (iv) description of how the LEA will inform employees and the public on the criteria and selection for the advanced teaching roles, continued eligibility requirements, evaluations, and movement on the proposed new local compensation model; (v) salary supplement information; (vi) program implementation issues, such as the number of eligible schools and teachers as well as any new compensation model; and (vii) financial sustainability.

Subsection (c) outlines the SBE's proposal review process and requires the selection of up to 10 LEAs as follows: (i) no more than 5 LEAs with an ADM of less than or equal to 4,000; (ii) no more than 3 LEAs with an ADM between 4,001 to 20,000; and, (iii) no more than 2 LEAs with an ADM of 20,001 or more.

Subsection (d) requires pilots to begin in the 2017-2018 school year and finish in the 2019-2020 school year.

Subsection (e) proscribes the use of grant funds only for: (i) salary supplements for advanced teaching roles; (ii) development of advanced teaching role plans; (iii) development of professional development courses; (iv) transition costs associated with designing and implementing advanced teaching role models; and (v) development of the design and implementation of compensation plans that focus on teacher professional growth and student outcomes.

Subsection (f) requires the SBE to contract with an independent research organization to evaluate the Pilot. Beginning in October 2017, the independent research organization must report annually to the SBE on all aspects of the implementation and evaluation of the Pilot until its completion. It must also evaluate the existing Project LIFT program in the Charlotte-Mecklenburg Public Schools and the proposed Project Advance in the Chapel Hill-Carrboro City Schools if that program is implemented. The SBE must provide the annual reports to the General Assembly.

Subsection (g) permits the Department of Public Instruction (DPI) to use up to \$200,000 for the SBE to contract with an independent research organization for the evaluation.

Subsection (h) declares the intent of the General Assembly to appropriate \$9,800,000 in the 2017-2018 fiscal year to be used for grants for the selected LEAs.

Subsection (i) authorizes LEAs that receive grants under this Pilot to exceed the maximum class size requirements for kindergarten through 3rd grade. (H.B. 1140/S.B. 885)

Section: 8.8

Title: **ADVANCED PLACEMENT/INTERNATIONAL BACCALAUREATE TEACHER BONUS PILOT PROGRAM**

Summary Directs the SBE to establish an Advanced Placement/International Baccalaureate Pilot Program (Pilot) to reward advanced course teacher performance and encourage student learning.

Subsection (a) authorizes the Pilot for 2 years, with awards made in FY 2016-17 and FY 2017-18 based on prior year data. A bonus of \$50 will be awarded to a teacher for every student the teacher instructs in an advanced course that either scores 3 or higher on the College Board Advanced Placement Examination or 4 or higher on the International Baccalaureate course examination. No teacher may receive more than \$2,000 in bonus awards in any given school year and, to be eligible for awards, an advanced course teacher must remain employed teaching advanced courses in the same LEA in which the teacher taught the prior school year.

Subsection (b) defines an "advanced course" as an Advanced Placement or International Baccalaureate Diploma Programme course for the purposes of this provision.

Subsection (c) specifies that these bonuses are not considered compensation for retirement purposes.

Subsection (d) directs the SBE to report to the President Pro Tempore of the Senate, the Speaker of the House, and the Fiscal Research Division on the number of Pilot bonuses awarded by March 15, 2017 and March 15, 2018. In addition, the SBE shall study the effect of the pilot program on advanced course teacher performance and retention. The SBE shall report its findings to the President Pro Tempore of the Senate, the Speaker of the House, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee by March 15, 2018.

Subsection (e) instructs the Director of the Budget to include sufficient nonrecurring funds to support the Pilot in the base budget for FY 2017-18.

Subsection (f) sunsets the Pilot authorization on June 30, 2018.

Section: 8.9

Title: **INDUSTRY CERTIFICATIONS AND CREDENTIALS TEACHER BONUS PILOT PROGRAM**

Summary Directs the SBE to establish an Industry Certifications and Credentials Teacher Bonus Pilot Program (Pilot) to reward the performance of teachers who instruct students earning approved industry certifications or credentials.

Subsection (a) authorizes the Pilot for 2 years, with awards made in FY 2016-17 and FY 2017-18 based on prior year data. A bonus of \$25 or \$50 will be awarded to a teacher for every student the teacher instructs in a course that leads to the attainment of an industry certification or credential. No teacher may receive more than \$2,000 in bonus awards in any given school year and, to be eligible for awards, advanced course teachers must remain employed teaching advanced courses in the same local school administrative unit in which the awards were earned due to prior school year performance. The Department of Commerce is required to assign a value ranking for each industry certification and credential in consultation with the SBE. Half of the ranking shall be based on academic rigor and half on employment value. The ranking will determine whether a credential or certification is worth \$25 or \$50 for the purpose of the Pilot.

Subsection (b) specifies that these bonuses are not considered compensation for retirement purposes.

Subsection (c) directs the SBE to report to the President Pro Tempore of the Senate, the Speaker of the House and the Fiscal Research Division on the number and type of Pilot bonuses awarded by March 15, 2017 and March 15, 2018. In addition, the SBE shall study the effect of the pilot program on teacher performance and retention. The SBE shall report its findings to the President Pro Tempore of the Senate, the Speaker of the House, the Fiscal Research Division, and the Joint Legislative Education Oversight Committee by March 15, 2018.

Subsection (d) instructs the Director of the Budget to include sufficient nonrecurring funds to support the Pilot in the base budget for FY 2017-18.

Subsection (e) sunsets the Pilot authorization on June 30, 2018.

Section: 8.11

Title: **CERTAIN CIHS OPERATING WITHOUT ADDITIONAL FUNDS**

Summary Allows Alamance-Burlington Early College, Alexander Early College, Cabarrus Early College of Technology, Camden Early College, Chatham County School of Science and Engineering, City of Medicine Cooperative Innovative High School, Gaston Early College High School, Hillside New Tech Cooperative Innovative High School, Johnston County Career and Technical Academy, Northampton County New Tech Early College, Person Early College for Innovation and Leadership, Stanly County School of Engineering and Design, and Wayne School of Engineering at Goldsboro High School to operate as cooperative innovative high schools beginning with the 2016-2017 school year.

Section: 8.12

Title: **REPORT FOR SCHOOLS FOR STUDENTS WITH VISUAL AND HEARING IMPAIRMENTS/FOREIGN EXCHANGE STUDENTS**

Summary Directs LEA superintendents to require that parents of hearing or visually impaired children be asked for written consent to release contact information and information regarding their child and the child's impairment to the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf (residential schools) so that the parents can receive more information on the services offered by those schools. The superintendents must report the names and addresses of parents who provide the written consent to the directors of the residential schools and include information on the type of disability of each child. This report must also be submitted to DPI. This information must be kept confidential by the receiving schools; however, the parents who provided written consent and whose information was in the report may be contacted by the schools receiving the reports.

This section also provides that the residential schools may enroll a foreign exchange student and charge the student the full, unsubsidized per capita cost of education at the school for the period of the student's attendance. If a school seeks to enroll foreign exchange students, it must first submit a plan to the SBE for approval. The plan must address the proposed costs to be charged to the students for attendance and information on how the school will comply with federal laws governing foreign exchange students.

Section: 8.13

Title: **VIRTUAL CHARTER SCHOOL CHANGES**

Summary Modifies the existing authority for Virtual Charter Schools, first established in S.L. 2014-100, Sec. 8.35, Appropriations Act of 2014. The changes allow virtual charter schools to administer tests to multiple grade levels at the same time and in the same location. The requirement for the percentage of a virtual charter school's teaching staff that must reside in the State is reduced from 90% to 80%.

Additionally, this section modifies the criteria for measuring a virtual charter school's student withdrawal rate to exclude the following types of students in measuring the school's withdrawal rate: (i) students enrolled in a school with the intent expressed prior to enrollment of only being enrolled for a finite period of time within the school year; (ii) students who regularly failed to participate in courses and are withdrawn under the procedures adopted by the school; (iii) students no longer qualified under State law to attend a North Carolina public school, including relocation to another state; (iv) students who withdraw from school because of a family, personal, or medical reason, and notifies the school of the reason for withdrawal; and, (v) students who withdraw from school within the first 30 days following the date of enrollment.

This section became effective July 1, 2016, and applies beginning with the 2016-2017 school year

Section: 8.15

Title: **SCHOOL BUSINESS SYSTEM MODERNIZATION**

Summary Requires the SBE to collaborate with the Friday Institute for Educational Innovation at North Carolina State University (Friday Institute) to develop a plan to modernize systems used by DPI to manage and deliver funds and technical support services to LEAs and charter schools. The SBE must report on the modernization plan by May 15, 2017. The report will be submitted to the Joint Legislative Education Oversight Committee.

Section: 8.16

Title: **INTERNATIONAL EXCHANGE TEACHER FUNDS**

Summary Clarifies the permissible uses of funds generated by a LEA's conversion of State-funded classroom teacher positions for purposes related to visiting international exchange teachers (VIETs). The converted funds may be used to provide VIETs with salaries commensurate with their experience levels, to provide any State-approved bonuses, and to cover costs associated with supporting VIETs, including programming and related activities, background checks, medical coverage, and other program administration services in accordance with federal regulations for the Exchange Visitor Program.

Section: 8.17

Title: **K-12 CYBERSECURITY STUDY**

Summary Requires DPI to conduct a study on cybersecurity in all of the State's public schools. The Department must report the results of the study by December 15, 2016 to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the House Principal Clerk, and the Senate Principal Clerk.

Section: 8.19

Title: **MODIFY SCHOOL PERFORMANCE GRADES SCALE FOR THREE SCHOOL YEARS**

Summary Modifies, for the next 3 school years, the scale used to determine School Performance Grades (SPG) from a 10-point to a 15-point scale. The revised scale is as follows:

- A school performance score of at least 85 is a SPG of A.
- A school performance score of at least 70 is a SPG of B.
- A school performance score of at least 55 is a SPG of C.
- A school performance score of at least 40 is a SPG of D.
- A school performance score of less than 40 is a SPG of F.

(H.B. 1140/S.B. 885, H.B. 358)

Section: 8.21

Title: **PILOT PROGRAM TO RAISE THE HIGH SCHOOL DROPOUT AGE FROM SIXTEEN TO EIGHTEEN**

Summary Reauthorizes, through Subsection (a), the SBE to allow the Hickory Public Schools and the Newton-Conover City Schools to establish and implement a pilot program (Pilot) to increase the high school dropout age from 16 to 18. The Pilot was initially authorized in Sec. 8.49 of S.L. 2013-360, Appropriations Act of 2013, and its authorization expired at the end of FY 2014-15. Rutherford County Schools is newly added as an eligible Pilot participant.

Subsection (b) outlines the responsibility in the Pilot LEAs for a student's parent, guardian or custodian to compel the student's school attendance. 18 year-old students are also subject to this requirement. If it is determined that a parent, guardian, custodian, or 18-year old student has not made a good-faith effort to compel attendance, a principal or his/her designee must notify the district attorney and, if applicable, the director of social services of the county where the student resides.

Subsection (c) requires local boards of education participating in the Pilot to prescribe specific rules for students who are 18 years old to be excused from compulsory attendance, such as enlistment as a member of the Armed Forces.

Subsection (d) provides that a violation of the compulsory attendance provisions in subsections (b) and (c) for students in Pilot school districts is punishable as a Class 1 misdemeanor.

Subsection (e) holds that if a court finds that the relevant parties are making a good faith effort to comply with the compulsory attendance law then the court shall find and state what help is needed for the student or family to enable compliance with the attendance requirements of the Pilot.

Subsection (f) requires, to the extent possible, Hickory Public Schools and Newton-Conover City Schools to partner with Catawba Valley Community College and Rutherford County Schools to partner with Isothermal Community College in administering the Pilot.

Subsection (g) requires the Pilot school districts to report to the Joint Legislative Education Oversight Committee, House Appropriations Subcommittee on Education, and the Senate Appropriations Committee on Education/Higher Education on or before January 15, 2018 and by January 15 of each even-numbered year thereafter until the end of the pilot programs. The report must address graduation rates in the Pilot districts, teen crime statistics in Catawba and Rutherford Counties, violations of compulsory attendance laws in Pilot LEAs, and other relevant data.

Subsection (h) prohibits the SBE from authorizing this pilot program in Catawba County without the receipt of a copy of a joint resolution adopted by the boards of education for Hickory Public Schools and Newton-Conover City Schools setting forth a date to begin establishment and implementation of the pilot program. A similar prohibition is included for Rutherford County and it requires a resolution of the Rutherford County board of education setting forth a date to begin establishment and implementation of the pilot program before the SBE may grant Pilot approval.

Section: 8.23

Title: **DIGITAL LEARNING PLAN FUNDS**

Summary Requires the SBE to collaborate with the Friday Institute in implementing the Digital Learning Plan. Funds must be used to support the following activities: (i) coordination and implementation of professional development programs that support teachers and school administrators in transitioning to digital-age learning; (ii) management of statewide cooperative purchasing of content and shared statewide resources for teachers to use in lesson planning and formative student assessments; (iii) development of infrastructure maintenance and support protocols; (iv) modification and updating of State policies to provide support and flexibility for local digital learning innovation; (v) development and maintenance of a continuous improvement process; and (vi) creation of assessments for technological and pedagogic skills and the identification of best practices for those assessments.

Section: 8.24

Title: **LOCAL BOARD REPORT ON SCHOOL START AND RELEASE TIMES**

Summary Requires local boards of education to report to the SBE on the start and release time for each school as part of the Uniform Education Reporting System's reporting requirements. Local boards of education must submit an initial report by October 1, 2016, on start and release times for the 2011-2012 through 2016-2017 school years.

Section: 8.25

Title: **AFTER SCHOOL QUALITY IMPROVEMENT COMPETITIVE GRANT FUNDS FOR THIRD YEAR FOR CERTAIN RECIPIENTS**

Summary Modifies a competitive grant program for extended learning time programs that was initiated in Section 8.19 of S.L. 2014-100, Appropriations Act of 2014 and modified in S.L. 2015-241, Appropriations Act of 2015. Of the funds appropriated for the At-Risk Student Services Allotment, the SBE shall use up to \$3,215,371 for the 2016-17 fiscal year for the After-School Quality Improvement Grant Program. These funds must be used first to provide a 2nd year grant to grantees first approved in FY 2015-16 for an After-School Quality Improvement Grant. Remaining funds shall be provided to grantees first funded in FY 2014-15.

Section: 8.27

Title: **ALTERNATIVE TEACHER PREPARATION**

Summary Directs the State Board of Education to establish up to 5 local alternative teacher preparation programs (LATP programs) to be administered by local boards of education.

Subsection (a) directs the State Board of Education to establish a Request for Proposals (RFP) for up to five LATP programs administered by local boards of education to prepare, support, and recommend initially licensed lateral entry teachers for continuing licensure.

Subsection (b) states that the SBE must issue the RFP to local boards of education by September 15, 2016. The RFP must include the following criteria:

- Program of study requirements which state that the LATP must provide 150 contact hours of pedagogy and content for continued licensure in the initially licensed teacher's area of licensure that is comparable in quality to the instruction required for a traditional teacher preparation program. Evidence should be provided as to relevant partnerships with institutions of higher education.
- Mentoring and support requirements that provide for at least 150 contact hours with mentor teachers, classroom coaching, and periodic evaluations with timely feedback to each individual in the program over the initially licensed teacher's first year of employment.
- Minimum program size such that the LATP program is administered by a local board of education with a minimum student population of 20,000 or higher or by a coalition of local boards of education that together have a minimum student population of 20,000 or higher.

Local boards of education must submit proposals to the SBE by January 6, 2017 with detailed information on the estimated costs, including a cost per teacher participant and anticipated funding sources for the operation of the LATP program.

Subsection (c) directs the SBE to select up to 5 proposals by March 15, 2017 based on program quality, viability, and use of evidence-based principles in program design.

Subsection (d) states the selected LATP programs must be implemented beginning with the 2017-18 school year and end with the 2021-22 school year.

Subsection (e) details annual benchmark standards for the selected LATP programs. These benchmark standards include:

- Completion rates of no less than 70% of initial enrollees;
- Minimum contact hour requirements and other program elements contained in the approved proposal;
- Demonstration of an increase in retention of lateral entry teachers over the previous year's retention rate; and
- Full financing of the program, through public or private funds, by the local board of education based on the per-teacher cost estimate contained in the approved proposal.

LATP programs that fail to meet any of the benchmark standards must be terminated by the SBE.

Subsection (f) requires the SBE to contract with an independent research organization to evaluate how the LATP programs have impacted:

- Recruitment of lateral entry teachers into the classroom;
- Retention rates for lateral entry teachers beyond initial licensure;
- Quality of classroom instruction by lateral entry teachers prepared through the LATP program as compared to those prepared by traditional teacher education programs as demonstrated by multiple measures including student performance;
- Teacher vacancy rates in local school administrative units participating in the LATP program as compared to similarly situated local school administrative units; and
- Funding mechanisms used to support the LATP program, including sources and stability of

funding.

The independent research organization must report annually to the SBE beginning October 15, 2017 on the progress of the local boards of education in implementing the LATP programs. The independent research organization shall submit an initial report by October 15, 2020 and a final report by October 15, 2022 on all aspects of implementation and evaluation.

Subsection (g) requires DPI to issue licenses to all individuals who successfully complete LATP programs, are recommended by the local board of education, and otherwise meet licensure requirements.

Subsection (h) states that an initially licensed lateral entry teacher who leaves a local board of education with a LATP program before completing the program and is hired by another local board of education, that teacher must receive credit for any work successfully completed in the LATP.

Subsection (i) states that DPI may use up to \$200,000 in the 2016-2017 fiscal year for the SBE to contract with an independent research organization, and the remaining appropriations must be used to award one-year grants to each LATP program selected for implementation purposes with the awards being a proportional amount of the funds available. (S.B. 836)

Section: 8.29

Title: **TEACHER ASSISTANT TUITION REIMBURSEMENT PILOT PROGRAM**

Summary Establishes a Teacher Assistant Tuition Reimbursement Pilot Program (Pilot) which provides tuition assistance awards to part-time or full-time teacher assistants to pursue a college degree that will result in teacher licensure.

Subsection (a) establishes the Pilot for the local boards of education of the Anson County, Franklin County, Moore County, Richmond County, and Scotland County school administrative units. This Pilot provides tuition assistance awards to part-time or full-time teacher assistants working in these LEAs to pursue a college degree that will result in teacher licensure. The tuition assistance may be provided for part-time or full-time coursework and academic leave may be granted for coursework that can only be taken during working hours. A teacher assistant who receives an award under the Pilot must fulfill the student teaching requirements of an educator preparation program by working in the teacher assistant's employing LEA.

Subsection (b) authorizes each local board of education in the pilot program to select up to 5 teacher assistants to receive an award of up \$4,500 per academic year for a period of up to 4 years to be used towards the cost of tuition and fees to attend an educator preparation program. Priority for the awards must be given to teacher assistants who received a tuition assistance award for the previous academic year and who are making satisfactory academic progress towards achieving teacher licensure. The local board of education must set the criteria for the application and selection process for the tuition assistance awards but the criteria must include the following:

- The teacher assistant must be employed by the local board of education in the LEA.
- The teacher assistant must be enrolled or provide a statement of intent to enroll in an accredited institution of higher education in the State with an educator preparation program approved by the State Board of Education.
- The teacher assistant must be a resident of the State.

Subsection (c) requires the local board of education to have a memorandum of understanding with the institution of higher education in which a recipient of the award is enrolled that includes the procedures for the following:

- Remittance of the award from the local board of education to the institution of higher education;
- Endorsement of the funds awarded to the recipient to the institution of higher education for deposit into the account of the institution; and
- Return of a pro rata share of funds to the local board of education if the recipient withdraws before the end of the term or the employment with the local board is terminated.

Subsection (d) requires the participating local boards of education to report to the Joint Legislative Education Oversight Committee by September 1, 2017 and annually thereafter on the amount of funding provided to teacher assistants, the number of teacher assistant recipients who achieved teacher licensure and the period of time from the issue of an initial tuition assistance award to the time of achieving licensure, and the number of recipients who remained employed in the LEA after achieving teacher licensure. (S.B.594)

Section: 8.30

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

Summary Modifies Sec. 8.37 of S.L. 2015-241, Appropriations Act of 2015, to expand fund sources and positions DPI may not reduce or transfer while implementing budget reductions for the 2016-17 fiscal year. These newly designated fund sources and positions include the Read to Achieve Program and the North Carolina School Connectivity Program. The provision additionally requires DPI to transfer \$50,000 to the Office of Administrative Hearings (OAH) to be allocated to the Rules Review Commission to pay for any litigation costs incurred in the defense of North Carolina State Board of Education v. the State of North Carolina and The Rules Review Commission. These funds do not revert at the end of the 2016-17 fiscal year and remain available to OAH during the 2017-18 fiscal year.

Section: 8.31

Title: **REMEDATION PLAN FOR PRINCIPALS IN LOW PERFORMING SCHOOLS**

Summary Modifies G.S. 115C-105.39 to allow school superintendents to recommend a principal be retained in a low-performing school if certain criteria are met.

Subsection (a) allows the superintendent of a local school administrative unit, after the initial identification of a school as low-performing by the State Board of Education, to recommend a principal be retained in the same position without a plan for remediation only if the principal has been at the same school for less than 2 years, or the principal has been at the school 2 years or more and the school has met student growth and has improved student achievement scores for the prior school year.

Subsection (b) states that this provision becomes effective in the 2016-17 school year.

Section: 8.32

Title: **SCHOOL NOTIFICATION REQUIREMENTS/TEACHER EMPLOYMENT/LICENSURE CHANGES AND BEGINNING TEACHER SUPPORT**

Summary Modifies several existing public education laws.

Section 8.32.(a) modifies G.S. 115C-12 to require the SBE to provide written notification to the General Assembly of its intent to conduct a mandatory student or parent survey either statewide or in any LEA, as well as a copy of the survey. DPI must also notify superintendents of plans to conduct a parent or student survey in an LEA, and provide an opportunity for feedback prior to administration of the survey.

Section 8.32.(b) modifies G.S. 115C-174.12 to require local boards of education to notify the SBE by September 1 annually of any local testing to be administered in the LEA, a calendar of those tests, and the source of funds for the local testing program. The SBE shall submit a report to the Joint Legislative Education Oversight Committee (JLEOC) by October 15 annually on statewide administration of the testing program and a summary of local testing programs.

Section 8.32.(c) modifies Article 10 of Chapter 115C of the General Statutes to requires the SBE to develop minimum criteria for qualifications of adjunct instructors in each career and technical education career cluster. Local boards of education may contract with qualified individuals to serve as adjunct instructors on an annual or semester basis. These individuals may be employed no more than 10 hours a week, are subject to a criminal history check, are not required to hold or apply for licensure as a teacher, and must have completed the preservice training required for lateral entry teachers.

Section 8.32.(d) modifies G.S. 115C-296(b)(1)b. to require that all teachers employed by a local board of education show evidence of a rating of at least proficient on the teacher's most recent annual evaluation to maintain a continuing license. A teacher who does not satisfy this requirement, but has been placed on a mandatory improvement plan, may receive an initial degree license if the teacher satisfies other licensure requirements.

Section 8.32.(e) modifies G.S. 115C-296(b)(1) to require applicants with an out-of-state license to provide evidence of that teacher's effectiveness, when available, as measured by the state of current licensure, including any growth measures. Out-of-state license applicants who provide this information receive priority in review of applications over out-of-state license applicants who do not provide this information. An out-of-state license applicant that does not include the information is only eligible for an initial degree license.

Section 8.32.(f) modifies G.S. 115C-296(f) to require that the criteria for teachers to be participants in the mentor teacher training program include the requirement that mentor teachers be rated as at least "accomplished" on the North Carolina Teacher Evaluation System and have met expectations for student growth.

Section 8.32.(g) modifies G.S. 115C-296.11(b)(4) to require that students in educator preparation programs have field experiences in every semester, and that the number of hours increase in each semester prior to the student's residency or internship. All programs must also include a field experience in a low-performing school for at least one semester.

Section 8.32.(h) modifies G.S. 115C-333(a) to require that teachers that have been licensed for less than 2 years must be observed at least three times annually by the principal or the principal's designee, at least once annually by a teacher, and at least once annually by a principal. At least 2 of those observations must be conducted in the first semester of the school year, and if practicable, at least one observation in the first grading period of the school year.

Section 8.32.(i) modifies G.S. 115C-333.1(a) to require all teachers who are assigned to schools that are not designated as low-performing and who have been licensed as a teacher

for less than 2 years shall be observed at least three times annually by the principal or the principal's designee, at least once annually by a teacher, and at least once annually by a principal. At least 2 of those observations must be conducted in the first semester of the school year, and if practicable, at least one observation in the first grading period of the school year.

Section 8.32.(j) makes section 8.32 effective the date the act becomes law.

Section: 8.33

Title: **K-3 CLASS SIZE ALLOTMENT RATIOS**

Summary Modifies G.S. 115C-301(c) to restate the FY 2016-17 funded class size allotment ratio for kindergarten through third grade. These ratios are as follows:

- Kindergarten: 1 teacher per 18 students
- First grade: 1 teacher per 16 students
- Second grade: 1 teacher per 17 students
- Third grade: 1 teacher per 17 students

Section: 9.1

Title: **TEACHER SALARY SCHEDULE**

Summary Sets the monthly minimum salary schedule (salary schedule) for the 2016-17 school year for certified personnel in North Carolina public schools.

Subsection (a) sets the salary schedule for the 2016-17 school year for licensed public school personnel who are classified as teachers and hold a Bachelor's degree.

Subsection (b) lists the salary supplements for licensed teachers who have additional education or certification, including holding a National Board of Professional Teaching Standards (NBPTS) certification, a master's degree (and are classified as "M" teachers), a license based on academic preparation at the six-year degree level, or a license based on academic preparation at the doctoral degree level. Additionally, certified school nurses receive a salary supplement of 10%. A salary schedule showing the Bachelor's, NBPTS, Master's, and NBPTS Master's schedules is provided at the end of this summary.

Subsection (c) establishes that the first step of the salary schedule for school psychologists, speech pathologists, and school audiologists shall be equivalent to Step 5 of the "A" salary schedule, and that these employees shall receive a 10% salary supplement.

Subsection (d) sets the 26th step of the salary schedule for school psychologists, speech pathologists, and school audiologists to be 7.5% higher than the salary on the 25th step.

Subsection (e) clarifies that, in lieu of receiving annual longevity payments, the amounts of those longevity payments are built into the salary schedule.

Subsection (f) states that teachers not otherwise receiving a salary increase from the applicable amount on the new salary schedule are held harmless at the amount received in FY 2014-15, including any State-provided bonuses, if applicable.

Subsection (g) includes instructional support personnel within the term "teacher."

Subsection (h) repeals Section 9.1 of S.L. 2015-241, which set the teacher salary schedule for FY 2015-16.

Subsection (i) outlines the General Assembly's intended "A" salary schedule to be implemented by FY 2018-19.

A summary of this section is also available in the Salaries and Benefits section of the Annotated Conference Committee Report.

Section: 9.2

Title: **SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULE**

Summary Establishes the minimum monthly salary schedules and compensation policies for school-based administrators, i.e. assistant principals and principals (SBAs).

Subsection (a) sets the minimum monthly salary schedule for the 2016-17 school year for SBAs.

Subsections (b) and (c) define the appropriate classification and experience-based step placement on the salary schedule for SBAs, except for principals at alternative and cooperative innovative high schools. Classification is based on the number of State-funded teachers and assistant principals supervised by the SBA. The beginning classification for principals at alternative and cooperative innovative high schools shall be the Principal III level except for principals at these schools who supervise 33 or more teachers and assistant principals; these principals shall be classified in the same manner as principals at traditional public schools. Placement on the experience-based step schedule is based on total number of years of experience as a certified employee of the public schools with an additional step for every three years of experience as a principal on or before June 30, 2009. SBAs earning salary increases in FY 1997-98 through FY 1999-2000 for improvement in student performance or maintaining a safe and orderly school continue to receive those bonuses.

Subsections (d) and (e) maintain the monthly salary supplements and longevity payments for SBAs. SBAs with a six-year degree receive a monthly supplement of \$126 and those with a doctoral degree receive \$253 monthly. Longevity continues at the rates provided to State employees under the North Carolina Human Resources Act.

Subsection (f) guarantees that a principal reassigned to a higher or lower classification due to being transferred to a school with a different number of State-allotted teachers shall be placed on the salary schedule as if the principal's entire career had been served at the job classification of the new school.

Subsection (g) requires that participants in an approved full-time master's in-school administration program receive up to a 10-month stipend, which shall not exceed the difference between the beginning salary of an assistant principal plus program costs (tuition, fees, and books) and any fellowship funds received.

Subsection (h) requires administrators with a one-year provisional assistant principal's certificate to be placed at the entry-level salary for an assistant principal or the appropriate step on the teacher salary schedule, whichever is higher.

Subsection (i) repeals Sec. 9.2 of S.L. 2015-241 which set SBA salaries for FY 2015-16.

A summary of this section is also available in the Salaries and Benefits section of the Annotated Conference Committee Report.

Section: 9.3

Title: **NO PAY LOSS FOR BREAK IN SERVICE OR FOR TEACHERS WHO BECOME PRINCIPALS**

Summary Modifies G.S. 115C-285(a) to allow all teachers who become assistant principals or principals to be paid as teachers if the salary on the teacher salary schedule is higher than the salary on the SBA schedule regardless of a break in service.

Subsection (a) modifies G.S. 115C-285(a) to ensure that a teacher who becomes an assistant principal or a principal, regardless of any break in service, will be paid, on a monthly basis, at least as much as he or she would earn as a teacher.

Subsection (b) clarifies that salary increases due to this section do not apply to work performed prior to July 1, 2016.

A summary of this section is also available in the Salaries and Benefits section of the Annotated Conference Committee Report.

Section: 9.4

Title: **JOINT LEGISLATIVE STUDY COMMITTEE ON SCHOOL-BASED ADMINISTRATOR PAY**

Summary Creates a study committee to study and make recommendations on school-based administrator pay.

Subsection (a) establishes the study committee and states that the Committee shall consist of three members of the House of Representatives and three members of the Senate.

Subsection (b) outlines the four items the Committee is directed to study.

Subsection (c) provides administrative details relevant to the Committee and its meetings.

Subsection (d) directs the Legislative Services Officer and the Directors of Legislative Assistants in both the House of Representatives and the Senate to assign staff to support this Committee.

Subsection (e) requires the Committee to submit a final report on the results of the study on or before December 31, 2016 and states that the Committee shall terminate on December 31, 2016 or upon submission of its report, whichever occurs first.

A summary of this section is also available in the Salaries and Benefits section of the Annotated Conference Committee Report.

Section: 9.5

Title: **CENTRAL OFFICE SALARIES**

Summary Sets the monthly salary ranges for superintendents, assistant superintendents, associate superintendents, director/coordinators, supervisors, finance officers, and other permanent full-time personnel paid from the central office allotment for FY 2016-17. Salary ranges are 1.5% higher than in FY 2015-16.

A summary of this section is also available in the Salaries and Benefits section of the Annotated Conference Committee Report.

Section: 9.6

Title: **NONCERTIFIED PERSONNEL SALARIES**

Summary Increases the salaries of noncertified public school employees by 1.5% for FY 2016-17.

A summary of this section is also available in the Salaries and Benefits section of the Annotated Conference Committee Report.

Section: 9.7

Title: **THIRD GRADE READING TEACHER PERFORMANCE PILOT PROGRAM**

Summary Creates a two-year pilot program to provide bonuses to 3rd grade reading teachers and appropriates \$10 million nonrecurring for these bonuses.

Subsection (a) directs that \$5 million of the funds appropriated for the program be used to provide bonuses for third grade teachers who are in the top 25% of teachers in the State according to Education Value-Added Assessment System (EVAAS) student growth index scores for the prior year. The other \$5 million appropriated for this program is to be used for bonuses for third grade teachers who are in the top 25% of teachers in their respective school districts (LEA). The LEA funds are to be split amongst school districts based on ADM. Charter and regional school teachers are not eligible to receive the LEA-based bonus but are eligible for the Statewide bonus.

This subsection further states that teachers are eligible for both bonuses, but to be eligible for the bonus, the teacher must remain as a third grade teacher in the same LEA from the school year that data is collected until the year in which the bonus is paid. The bonuses are to be paid in January 2017 (based in 2015-16 school year EVAAS scores) and January 2018 (based in 2016-17 school year EVAAS scores).

Subsection (b) states that these bonuses are not considered compensation for retirement purposes.

Subsection (c) requires the State Board of Education to report on and study the results of the third grade reading teacher pilot program and to report on the distribution of funds in FY 2016-17 to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and FRD by March 1, 2016. A second report on the effectiveness of the pilot program is due to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Joint Legislative Education Oversight Committee, and FRD by March 1, 2018.

Subsection (d) instructs the Director of the Budget to include nonrecurring funding required to support the program in the Base Budget for FY 2017-18. The program is funded with \$10 million nonrecurring in FY 2016-17.

Subsection (e) sunsets this program on June 30, 2018.

A summary of this section is also available in the Salaries and Benefits section of the Annotated Conference Committee Report.

**Community Colleges
Budget Code 16800**

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$1,480,340,859
Receipts	\$414,445,339
<hr/>	
Net Appropriation	\$1,065,895,520

Legislative Changes

Requirements	\$13,618,455
Receipts	(\$16,476,737)
<hr/>	
Net Appropriation	\$30,095,192

Revised Budget

Requirements	\$1,493,959,314
Receipts	\$397,968,602
<hr/>	
Net Appropriation	\$1,095,990,712

General Fund FTE

Enacted Budget	192.50
Legislative Changes	3.00
<hr/>	
Revised Budget	195.50

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Community Colleges		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 16800		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1100	Executive Division	3,590,759	363,281	3,227,478	-	-	-	3,590,759	363,281	3,227,478
1200	Technology Solutions and Distance Learning	15,949,769	479,789	15,469,980	-	-	-	15,949,769	479,789	15,469,980
1300	Finance and Operations	3,593,176	486,682	3,106,494	-	-	-	3,593,176	486,682	3,106,494
1400	Academic and Student Services	6,507,648	3,762,851	2,744,797	-	-	-	6,507,648	3,762,851	2,744,797
1600	State Aid - Institutions	22,725,625	-	22,725,625	213,735	-	213,735	22,939,360	-	22,939,360
1620	Curriculum Instruction	706,875,096	354,290,199	352,584,897	110,000	-	110,000	706,985,096	354,290,199	352,694,897
1621	Basic Skill Instruction	73,790,394	16,242,990	57,547,404	-	-	-	73,790,394	16,242,990	57,547,404
1622	Continuing Education and Workforce Development	107,452,625	17,427,620	90,025,005	-	-	-	107,452,625	17,427,620	90,025,005
1623	Equipment and Instructional Resources	51,962,762	-	51,962,762	6,000,000	-	6,000,000	57,962,762	-	57,962,762
1624	Specialized Centers and Programs	14,259,267	3,542,792	10,716,475	4,125,000	-	4,125,000	18,384,267	3,542,792	14,841,475
1625	Institutional and Academic Support	514,932,950	1,011,693	513,921,257	1,553,733	-	1,553,733	516,486,683	1,011,693	515,474,990
1900	Reserves and Transfers	(41,299,212)	16,837,442	(58,136,654)	12,447,537	-	12,447,537	(28,851,675)	16,837,442	(45,689,117)
Department-wide Items										
N/A	Compensation Reserve	-	-	-	24,367,285	N/A	24,367,285	24,367,285	N/A	24,367,285
N/A	State Retirement Contributions	-	-	-	7,486,178	N/A	7,486,178	7,486,178	N/A	7,486,178
Undesignated										
N/A	Enrollment Adjustment	-	-	-	(42,685,013)	(16,476,737)	(26,208,276)	(42,685,013)	(16,476,737)	(26,208,276)
Total		\$1,480,340,859	\$414,445,339	\$1,065,895,520	\$ 13,618,455	\$ (16,476,737)	\$ 30,095,192	\$1,493,959,314	\$397,968,602	\$1,095,990,712

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Community Colleges					
Budget Code 16800		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Executive Division	28.00	-	-	28.00
1200	Technology Solutions and Distance Learning	80.00	-	-	80.00
1300	Finance and Operations	39.50	3.00	-	42.50
1400	Academic and Student Services	45.00	-	-	45.00
1600	State Aid - Institutions	-	-	-	-
1620	Curriculum Instruction	-	-	-	-
1621	Basic Skill Instruction	-	-	-	-
1622	Continuing Education and Workforce Development	-	-	-	-
1623	Equipment and Instructional Resources	-	-	-	-
1624	Specialized Centers and Programs	-	-	-	-
1625	Institutional and Academic Support	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
Total FTE		192.50	3.00	-	195.50

Community Colleges

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$1,065,895,520

Legislative Changes

A. Reserve for Salaries and Benefits

32 Compensation Increase Reserve - Community Colleges (\$10,000,000) R

Fund Code: N/A

Reallocates the \$10 million appropriated in the 2015 Appropriations Act for Community College personnel salary adjustments to the Community College's FY 2016-17 Compensation Increase Reserve.

33 Compensation Increase Reserve - Community Colleges \$17,034,551 R

Fund Code: N/A

\$17,034,551 NR

Provides funds for recurring salary increases and nonrecurring bonuses for community college employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1A, 36.10, 36.14, 36.16, and 36.17)

(S.L. 2016-123, Sec. 9.1, Measurability Assessments/Budget Tech. Corr., specifies that the recurring funds appropriated to restore a portion of the NC Community College System's management flexibility cut (page F-35, item 39) may be used for compensation increases in addition to the funds in this item.)

34 Compensation Increase Reserve - System Office	\$223,637	R
Fund Code: N/A	\$74,546	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1A, 36.10, 36.14, 36.16, and 36.17)

(S.L. 2016-123, Sec. 9.1, Measurability Assessments/Budget Tech. Corr., specifies that the recurring funds appropriated to restore a portion of the NC Community College System's management flexibility cut (page F-35, item 39) may be used for compensation increases in addition to the funds in this item.)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

35 State Retirement Contributions - Community Colleges	\$2,955,674	R
Fund Code: N/A	\$4,433,511	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

36 State Retirement Contributions - System Office	\$38,797	R
Fund Code: N/A	\$58,196	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

B. Technical and Formula Adjustments

37 Enrollment Growth Adjustment (\$26,208,276) R

Fund Code: N/A

Adjusts funds for FY 2016-17 based on the decline in Community College System enrollment.

The Community College System total enrollment declined by 8,578 Full-Time Equivalent (FTE) students (4.1%) from the budgeted amount in the FY 2016-17 certified budget for a savings of \$26.2 million. (H.B. 1140/S.B. 885)

38 Multi-Campus Centers \$1,553,733 R

Fund Code: 1625

Provides funds to operate 3 new Multi-Campus Centers scheduled to open in FY 2016-17. Funding will support centers for Asheville-Buncombe Technical Community College, Durham Technical Community College, and Mitchell Community College. Each center will receive a \$517,911 allocation. The revised net appropriation for Multi-Campus Centers is \$20.4 million. (H.B. 1140/S.B. 885)

39 Restore Management Flexibility Reduction \$6,051,722 R

Fund Code: 1900 \$6,395,815 NR

Provides funds to restore a portion of the management flexibility reduction. The management flexibility reduction is reduced by 11%. A related special provision allows the recurring funds to be used for compensation increases. The revised net appropriation for the management flexibility reduction is \$46.8 million.

(S.L. 2016-123, Sec. 9.1, Measurability Assessments/Budget Tech. Corr., specifies that the recurring portion of these funds may be used for the restoration of management flexibility cuts, compensation increases, or both.)

C. Other Adjustments

40 Connect NC Bond Administration \$191,735 R

Fund Code: 1300 \$22,000 NR

Provides funding to administer the Connect NC Bond program within the Community College System Office. The Community College System will receive \$350 million through the Connect NC Bond for facility construction and renovation. The funds will support 3 positions and related software licenses. The revised net appropriation for Connect NC Bond administration is \$213,735. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 10.6)

3.00

41 Youth Apprenticeship Tuition Waiver \$110,000 NR

Fund Code: 1620

Provides funds to offset the reduction in tuition receipts for granting a tuition waiver for certain students participating in youth apprenticeship programs. The revised net appropriation for the youth apprenticeship tuition waiver is \$110,000. (S.L. 2016-94, Sec. 10.3)

42 Equipment

Fund Code: 1623 \$6,000,000 NR

Provides funds for the purchase of instructional equipment and technology at all 58 colleges. These funds are in addition to the \$49.0 million included in the enacted budget for this purpose. Funds shall be distributed in accordance with the existing equipment allocation formula. The revised net appropriation for equipment is \$55.0 million for FY 2016-17. (H.B. 1140/S.B. 885)

43 Local Government Finance Officer Training

Fund Code: 1624 \$25,000 NR

Provides nonrecurring funding to create a continuing education program for finance officers in local governments and public authorities. Funding will be used for curriculum development and evaluation. The revised net appropriation for Local Government Finance Officer Training is \$25,000. (S.L. 2016-84)

44 Mitchell Community College Site Preparation

Fund Code: 1624 \$200,000 NR

Provides funds to Mitchell Community College for site development at the former Davis Hospital site. An additional \$250,000 is provided for asbestos abatement at the site in the Office of State Budget and Management/Special Appropriations section. The revised net appropriation for Mitchell Community College site preparation is \$200,000. (S.L. 2016-94, Sec. 10.8)

(A related item appears in the General Government section of the Conference Committee Report. See page J-70, item 56.)

45 Gaston College Center For Advanced Manufacturing

Fund Code: 1624 \$3,400,000 NR

Provides funds for the Gaston College Center for Advanced Manufacturing to be used for capital and equipment. The revised net appropriation for the the Center for Advanced Manufacturing is \$3.4 million. (S.L. 2016-94, Sec. 10.8)

(S.L. 2016-123, Sec. 4.1, Measurability Assessments/Budget Tech. Corr., amends this item to correct the name of Gaston College.)

46 Competency-Based Education Incubator

Fund Code: 1624 \$500,000 NR

Provides nonrecurring funding to support development of competency-based education programs and a uniform system for granting credit for prior learning. Partners in this pilot include Central Piedmont Community College, Forsyth Technical Community College, Stanly Community College, Wake Technical Community College, and the North Carolina Community College System Office. The revised net appropriation for the Competency-Based Education Incubator is \$500,000 for FY 2016-17. (H.B. 1140/S.B. 885)

Total Legislative Changes	(\$8,158,427)	R
	\$38,253,619	NR
Total Position Changes		3.00
Revised Budget	\$1,095,990,712	

Special Provisions

2016 Session: HB 1030

Department: Community Colleges

Section: 10.1

Title: **UPDATE PERFORMANCE MEASURES**

Summary Amends G.S. 115D-31.3(e) to revise community college performance measures. The revision eliminates 2 measures (high school equivalency diploma attainment and performance of developmental students in subsequent college-level Math and English courses) and replaces those with measures of the success rates of all students in credit-bearing Math and English courses. (H.B. 1140/S.B. 885)

Section: 10.2

Title: **CLARIFY USE OF CAREER COACH FUNDS**

Summary Modifies S.L. 2015-241, Sec. 10.14(c), 2015 Appropriations Act, to allow funds appropriated for the NC Works Career Coach program to be used for direct operating costs associated with these positions in addition to their salary and benefits.

(S.L. 2016-123, Sec. 4.4, Measurability Assessments/Budget Tech. Corr., amends this section to clarify that up to 2% of funds appropriated for the NC Works Career Coach program may be used for this purpose.)

Section: 10.3

Title: **YOUTH APPRENTICESHIP TUITION WAIVER**

Summary Amends G.S. 115D-5(b) to include courses for certain Youth Apprenticeship Program participants among those eligible to receive tuition and fee waivers.

Section: 10.4

Title: **TUITION WAIVER/FIREFIGHTERS AND EMS PERSONNEL ON MILITARY INSTALLATIONS**

Summary Amends G.S. 115D-5(b) to include training courses for firefighters, EMS personnel, and rescue and lifesaving personnel permanently stationed in North Carolina among those eligible to receive tuition and fee waivers. (H.B. 1068)

Section: 10.5

Title: **CLARIFY CAREER- AND COLLEGE-READY GRADUATE PROGRAM**

Summary Modifies S.L. 2015-241, Sec. 10.13 requirement that high schools begin offering college developmental math, reading, and English instruction.

Subsection (a) amends the requirement that the program be fully implemented beginning in the 2016-17 school year by requiring only certain model programs to be implemented beginning in 2016-17. Full implementation is required beginning in the 2018-19 school year.

Subsection (b) requires the State Board of Community Colleges and the State Board of Education to submit annual reports on the program to the Joint Legislative Education Oversight Committee.

Section: 10.6

Title: **CONNECT NC BOND ADMINISTRATION**

Summary Requires that funds appropriated in this Act to the Community College System Office for Connect NC bond administration may be used only to support review of Connect NC bond projects and specifies that positions created for that purpose shall be eliminated once administration of the bond is complete.

Section: 10.7

Title: **DELAY PROPERTY TRANSFER TO CLEVELAND COMMUNITY COLLEGE**

Summary Modifies S.L. 2012-177, Secs. 1 and 4, Transfer Certain Correctional Facilities, to delay until 2021 the transfer of property from the Department of Public Safety to Cleveland Community College. The section also allows Cleveland Community College to dispose of the property once transferred and to retain the proceeds for use for any lawful public purpose.

Section: 10.8

Title: **CERTAIN COMMUNITY COLLEGE PROJECT FUNDS**

Summary Specifies that funds appropriated to the North Carolina Community College System Office in this Act for FY 2016-17 for the Center for Advanced Manufacturing at Gaston College and for Mitchell Community College site development shall not revert at the end of the fiscal year.

(S.L. 2016-123, Sec. 4.1, amends this section to correct the name of Gaston College.)

2016 Session: HB 805

Department: Community Colleges

Section: 4.1

Title: **TECHNICAL CHANGE: CERTAIN COMMUNITY COLLEGE PROJECT FUNDS**

Summary Modifies S.L. 2016-94, Sec. 10.8, 2016 Appropriations Act, to correct the name of Gaston College.

(See the Education section of the Conference Committee Report on page F-36, Item 45).

Section: 4.4

Title: **TECHNICAL CHANGE: CLARIFY USE OF CAREER COACH FUNDS**

Summary Modifies S.L. 2015-241, Sec. 10.14(c), as amended by S.L. 2016-94, Sec. 10.2, to clarify that up to 2% of funds appropriated for the NC Works Career Coach program may be used for direct operating costs associated with those positions.

**UNC System
Multiple Budget Codes**

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$4,400,355,967
Receipts	\$1,717,048,040
<hr/>	
Net Appropriation	\$2,683,307,927

Legislative Changes

Requirements	\$188,291,669
Receipts	\$19,311,475
<hr/>	
Net Appropriation	\$168,980,194

Revised Budget

Requirements	\$4,588,647,636
Receipts	\$1,736,359,515
<hr/>	
Net Appropriation	\$2,852,288,121

General Fund FTE

Enacted Budget	34,763.58
Legislative Changes	1.00
<hr/>	
Revised Budget	34,764.58

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session
As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.**

UNC System		Enacted Budget			Legislative Changes			Revised Budget		
Bdgt Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
16010	UNC-Board of Governors	37,303,605	46,899	37,256,706	1,000,000	-	1,000,000	38,303,605	46,899	38,256,706
16011	UNC-Board of Governors - Institutional	57,429,631	21,444,745	35,984,886	52,344,475	19,311,475	33,033,000	109,774,106	40,756,220	69,017,886
16012	UNC-BOG-Related Educational Programs	156,200,476	48,031,975	108,168,501	-	-	-	156,200,476	48,031,975	108,168,501
16015	Aid to Private Colleges	127,419,754	-	127,419,754	44,140,000	-	44,140,000	171,559,754	-	171,559,754
16020	UNC-Chapel Hill	592,452,903	340,187,042	252,265,861	1,500,000	-	1,500,000	593,952,903	340,187,042	253,765,861
16021	UNC-Chapel Hill - Health Affairs	294,539,049	106,759,144	187,779,905	3,000,000	-	3,000,000	297,539,049	106,759,144	190,779,905
16022	UNC-Chapel Hill - Area Health Education Center	49,282,678	-	49,282,678	-	-	-	49,282,678	-	49,282,678
16030	North Carolina State University - Academic	721,726,448	329,477,157	392,249,291	200,000	-	200,000	721,926,448	329,477,157	392,449,291
16031	NC State University - Agricultural Research	68,078,678	14,979,346	53,099,332	-	-	-	68,078,678	14,979,346	53,099,332
16032	NC State University - Cooperative Extension Service	54,639,442	16,043,515	38,595,927	-	-	-	54,639,442	16,043,515	38,595,927
16040	UNC-Greensboro	228,727,570	85,268,143	143,459,427	-	-	-	228,727,570	85,268,143	143,459,427
16050	UNC-Charlotte	334,919,709	135,948,104	198,971,605	-	-	-	334,919,709	135,948,104	198,971,605
16055	UNC-Asheville	57,074,763	19,482,480	37,592,283	-	-	-	57,074,763	19,482,480	37,592,283
16060	UNC-Wilmington	184,756,660	83,283,247	101,473,413	-	-	-	184,756,660	83,283,247	101,473,413
16065	East Carolina University - Academic	375,146,899	164,407,341	210,739,558	-	-	-	375,146,899	164,407,341	210,739,558
16066	East Carolina University - Health Affairs	81,979,708	8,452,022	73,527,686	-	-	-	81,979,708	8,452,022	73,527,686
16070	NC Agricultural and Technical State University	155,828,367	64,930,346	90,898,021	-	-	-	155,828,367	64,930,346	90,898,021
16075	Western Carolina University	130,369,834	44,564,017	85,805,817	-	-	-	130,369,834	44,564,017	85,805,817
16080	Appalachian State University	218,660,651	90,825,069	127,835,582	-	-	-	218,660,651	90,825,069	127,835,582
16082	UNC-Pembroke	78,258,028	25,065,923	53,192,105	675,000	-	675,000	78,933,028	25,065,923	53,867,105
16084	Winston-Salem State University	88,173,322	23,554,198	64,619,124	-	-	-	88,173,322	23,554,198	64,619,124
16086	Elizabeth City State University	44,118,744	10,359,516	33,759,228	-	-	-	44,118,744	10,359,516	33,759,228
16088	Fayetteville State University	68,632,042	19,890,512	48,741,530	-	-	-	68,632,042	19,890,512	48,741,530
16090	NC Central University	130,529,004	48,396,156	82,132,848	-	-	-	130,529,004	48,396,156	82,132,848
16092	NC School of the Arts	43,392,463	14,723,165	28,669,298	-	-	-	43,392,463	14,723,165	28,669,298
16094	NC School of Science and Mathematics	20,715,539	927,978	19,787,561	630,000	-	630,000	21,345,539	927,978	20,417,561
Department-wide Items										
N/A	Compensation Reserve	-	-	-	75,981,599	N/A	75,981,599	75,981,599	N/A	75,981,599
N/A	State Retirement Contributions	-	-	-	8,820,595	N/A	8,820,595	8,820,595	N/A	8,820,595
Total		\$4,400,355,967	\$1,717,048,040	\$2,683,307,927	\$ 188,291,669	\$ 19,311,475	\$ 168,980,194	\$4,588,647,636	\$1,736,359,515	\$2,852,288,121

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

UNC System		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Bdgt Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
16010	UNC-Board of Governors	246.74	-	-	246.74
16011	UNC-Board of Governors - Institutional	-	-	-	-
16012	UNC-BOG-Related Educational Programs	-	-	-	-
16015	Aid to Private Colleges	2.00	-	-	2.00
16020	UNC-Chapel Hill	4,138.45	-	-	4,138.45
16021	UNC-Chapel Hill - Health Affairs	1,909.12	-	-	1,909.12
16022	UNC-Chapel Hill - Area Health Education Center	77.90	-	-	77.90
16030	North Carolina State University - Academic	6,082.34	-	-	6,082.34
16031	NC State University - Agricultural Research	797.06	-	-	797.06
16032	NC State University - Cooperative Extension Service	745.74	-	-	745.74
16040	UNC-Greensboro	2,069.45	-	-	2,069.45
16050	UNC-Charlotte	3,020.71	-	-	3,020.71
16055	UNC-Asheville	585.71	-	-	585.71
16060	UNC-Wilmington	1,811.72	-	-	1,811.72
16065	East Carolina University - Academic	3,211.61	-	-	3,211.61
16066	East Carolina University - Health Affairs	552.53	-	-	552.53
16070	NC Agricultural and Technical State University	1,521.31	-	-	1,521.31
16075	Western Carolina University	1,279.58	-	-	1,279.58
16080	Appalachian State University	2,096.17	-	-	2,096.17
16082	UNC-Pembroke	736.29	-	-	736.29
16084	Winston-Salem State University	910.32	-	-	910.32
16086	Elizabeth City State University	350.61	-	-	350.61
16088	Fayetteville State University	704.84	-	-	704.84
16090	NC Central University	1,258.34	-	-	1,258.34
16092	NC School of the Arts	435.69	-	-	435.69
16094	NC School of Science and Mathematics	219.35	1.00	-	220.35
Total FTE		34,763.58	1.00	-	34,764.58

UNC System

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$2,683,307,927

Legislative Changes

A. Reserve for Salaries and Benefits

47 Compensation Increase Reserve	\$41,966,294	R
Budget Code: N/A	\$13,854,891	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.11, 36.12, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

48 Compensation Bonus Reserve - UNC EHRA	\$20,160,414	NR
Budget Code: N/A		

Provides funding for one-time merit-based bonuses for State employees. The Board of Governors shall develop policies for the allocation of merit-based bonuses to EHRA employees. Merit-based bonuses provided by employing agencies shall not be considered compensation for retirement purposes. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million. (S.L. 2016-94, Sec. 36.1A)

49 State Retirement Contributions - TSERS Members	\$3,664,607	R
Budget Code: N/A	\$5,496,911	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

50 State Retirement Contributions - ORP Members (\$340,923) R
Budget Code: N/A

Decreases the State’s contribution for members of the Optional Retirement Program (ORP) to match the actuarially determined contribution for the Disability Income Plan. The revised net appropriation for members of ORP is approximately \$145.6 million. (S.L. 2016-94, Secs. 36.20 and 36.21)

B. Technical and Formula Adjustments

51 Enrollment Growth Adjustments \$31,000,000 R
Budget Code: 16011

Provides additional funds for projected enrollment growth in the University of North Carolina (UNC) System. Total enrollment is projected to be 206,139 Full-Time Equivalent (FTE) students, a 1.5% increase over FY 2015-16's total enrollment of 203,014 FTE. (H.B. 1140/S.B. 885)

(A related item appears in the Reserves, Debt Service, and Adjustments section of the Conference Committee Report. See page L-4, item 2.)

52 Enrollment Growth Performance Funding (\$1,000,000) R
Budget Code: 16011

Eliminates enrollment growth performance funding for UNC that was originally appropriated in FY 2011-12. The revised net appropriation for Enrollment Growth Performance Funding is \$0.

C. Other Adjustments

53 UNC Teacher and Principal Preparation Program Lab School Administration \$1,000,000 NR
Budget Code: 16010

Funds UNC General Administration to provide administrative and technical assistance related to the UNC Teacher and Principal Preparation Laboratory School Program. The funds shall be used to provide lab school start-up assistance to constituent institutions with educator preparation programs. The revised net appropriation for UNC Teacher and Principal Preparation Program Lab School Administration is \$1.0 million. (S.L. 2016-94, Sec. 11.6)

54 Internships and Career-Based Opportunities for HBCU Students \$183,000 NR
Budget Code: 16011

Expands, on a nonrecurring basis, the internship program for students attending Historically Black Colleges and Universities (HBCU). The revised net appropriation for the HBCU Internship Program is \$500,500. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 11.1)

<p>55 Supports for Part-Way Home Students Budget Code: 16011</p> <p>Provides funds for technology and academic support strategies in order to recruit, retain, and graduate students who have not finished their baccalaureate degree. The revised net appropriation for part-way home student supports is \$2.3 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 11.3)</p>	<p>\$2,300,000</p>	<p>NR</p>
<p>56 Advancement Activity Limitations Budget Code: 16011</p> <p>Restores funds due to the elimination of the cap on the amount of General Funds used for advancement activities. S.L. 2015-268 prohibited more than \$1.0 million of General Funds to be used toward advancement activities per campus effective beginning in FY 2016-17. A corresponding special provision repeals that cap. The revised net appropriation for advancement activities is \$26.5 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 11.7)</p>	<p>\$16,354,396</p>	<p>R</p>
<p>57 Management Flexibility Reduction Budget Code: 16011</p> <p>Increases the management flexibility reduction for the UNC operating budget. The UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions. The revised net appropriation for the FY 2016-17 management flexibility reduction is \$62.8 million.</p>	<p>(\$16,354,396)</p>	<p>R</p>
<p>58 UNC Core Budget Code: 16020</p> <p>Converts State funding to nonrecurring status for UNC Core, a distance education program for active duty service members and veterans administered by the Friday Center for Continuing Education at UNC-Chapel Hill. The net appropriation for UNC Core remains unchanged for FY 2016-17 but will be \$0 for FY 2017-18.</p>	<p>(\$1,000,000) \$1,000,000</p>	<p>R NR</p>
<p>59 North Carolina Policy Collaboratory Budget Code: 16020</p> <p>Provides operational funds for the newly established North Carolina Policy Collaboratory at UNC-Chapel Hill. The Collaboratory will conduct and disseminate research related to natural resources management for State and local government. In addition to funding provided in the Education section of the budget, \$3.5 million for the Collaboratory is included in the Office of State Budget and Management/Special Appropriations section to be matched by non-State funds. The revised net appropriation for the North Carolina Policy Collaboratory is \$4.5 million. (S.L. 2016-94, Secs. 11.8 and 27.5)</p> <p>(A related item appears in the General Government section of the Conference Committee Report. See page J-70, item 50.)</p>	<p>\$1,000,000</p>	<p>R</p>

- 60 Jordan Lake Study** \$500,000 R
Budget Code: 16020
 Provides \$500,000 to the Chief Sustainability Officer at UNC-Chapel Hill to designate an entity to study nutrient management strategies. The revised net appropriation for the Jordan Lake Study is \$500,000. (S.L. 2016-94, Sec. 14.13.(c))
 (A related item appears in the Agriculture and Natural and Economic Resources section of the Conference Committee Report. See page H-24, item 34.)
- 61 Western School of Medicine - Asheville** \$3,000,000 R
Budget Code: 16021
 Provides funds for the UNC School of Medicine's Asheville Campus, a joint program between the UNC School of Medicine and the Mountain Area Health Education Center. Funding will support administration, faculty, and related programs. The revised net appropriation for the Western School of Medicine is \$3.0 million. (S.L. 2016-94, Sec. 37.1)
 (A related item appears in the Capital section of the Conference Committee Report. See page M-4, item 9.)
- 62 North Carolina State University (NCSU) - Agriculture Institute** \$200,000 R
Budget Code: 16030
 Provides funding for NCSU's Agriculture Institute for increased student support, recruitment, and marketing. The revised net appropriation for the Agriculture Institute for student support, recruitment, and marketing is \$200,000.
- 63 East Carolina University: Medical School Sustainability Funds** \$4,000,000 R
Budget Code: 16066 (\$4,000,000) NR
 Converts half of the State budget sustainability funds for the Brody School of Medicine to recurring status. The funds are to provide support for the school due to lost revenue. The revised net appropriation for East Carolina University Health Affairs remains \$73.5 million in FY 2016-17. (H.B. 1140/S.B. 885)
- 64 UNC-Pembroke Video Surveillance Upgrades** \$675,000 NR
Budget Code: 16082
 Provides funds to expand and upgrade video surveillance systems on the UNC-Pembroke campus. The revised net appropriation for UNC-Pembroke video surveillance upgrades is \$675,000.
- 65 Elizabeth City State University (ECSU) Marketing** \$250,000 NR
Budget Code: 16011
 Provides funds to ECSU for marketing the NC Promise Tuition "Buy Down" Program. The revised net appropriation for the ECSU NC Promise Tuition "Buy Down" Program marketing is \$250,000. (S.B. 873; S.L. 2016-94, Sec. 11.4.(c1))
 (S.L. 2016-123, Sec. 4.2, Measurability Assessments/Budget Tech. Corr., amends this item to allocate funds to Budget Code 16011.)

66 Western School of Engineering and Technology \$130,000 R
Budget Code: 16094 \$500,000 NR
1.00

Provides funds for project management and curriculum development at the Western School of Engineering and Technology, which was funded in 2016 in the Connect NC Bond. An additional position, based in Morganton, NC, will provide construction management of the project. Additional funds will provide for curriculum development for the new school. The revised net appropriation for the Western School of Engineering and Technology is \$630,000.

D. Financial Aid Adjustments

67 Cheatham-White Scholarships \$300,000 R
Budget Code: 16012

Provides funds to administer a new scholarship program at North Carolina Central University (NCCU) and North Carolina Agricultural and Technical State University (NCA&T) to be called the Cheatham-White Scholarships. The full scholarships will fund up to 50 students at each university beginning in the Fall 2018 semester. NCCU and NCA&T will be required to match the General Fund appropriation. The revised net appropriation for the Cheatham-White Scholarships is \$300,000. (S.B. 873; S.L. 2016-94, Sec. 11.4.(e))

68 Principal Preparation \$3,500,000 R
Budget Code: 16015

Provides additional funds for the Principal Preparation Program. The program provides competitive grants for school leadership development. The revised net appropriation for the Principal Preparation Program is \$4.5 million. (S.L. 2016-94, Sec. 11A.4)

(S.L. 2016-123, Sec. 4.3, Measurability Assessments/Budget Tech. Corr., amends this item to reduce the amount of funds that may be allocated to the nonprofit for administration.)

69 Special Education Scholarships \$5,800,000 R
Budget Code: 16015

Increases funding for Special Education Scholarships by 137%. The program provides scholarship grants of up to \$4,000 per semester for eligible students. The revised net appropriation for Special Education Scholarships is \$10.0 million. (H.B. 955, H.B. 1140/S.B.885, S.B. 561; S.L. 2016-94, Sec. 11A.2)

70 Opportunity Scholarship Grant Fund Reserve \$34,840,000 NR
Budget Code: 16015

Establishes an Opportunity Scholarship Grant Fund Reserve in order to shift the program to forward funding. The Reserve will be used to fund scholarships for the subsequent fiscal year. The revised net appropriation for the Opportunity Scholarship Grant Fund Reserve is \$34.8 million. (H.B. 955, H.B. 969/S.B. 742, H.B. 1140/S.B. 885, S.B. 862; S.L. 2016-94, Sec. 11A.3)

Total Legislative Changes	\$92,719,978	R
	\$76,260,216	NR
Total Position Changes		1.00
Revised Budget	\$2,852,288,121	

Special Provisions

2016 Session: HB 1030

Department: UNC System

Section: 11.1

Title: EXPAND INTERNSHIPS AND CAREER-BASED OPPORTUNITIES FOR STUDENTS ATTENDING HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCU)

Summary Modifies S.L. 2015-241, Sec. 11.12(b), 2015 Appropriations Act, to require that the internship program for students attending HBCUs be expanded to serve a minimum of 95 students for FY 2016-17. (H.B. 1140/S.B.885)

Section: 11.2

Title: MODIFY NC GUARANTEED ADMISSION PROGRAM (NC GAP)

Summary Modifies S.L. 2015-241, Sec. 11.7 to delay and limit the implementation of NC GAP.

Subsection (a) requires the President of the University of North Carolina (UNC) System, in consultation with the UNC Board of Governors (BOG), to adopt by January 1, 2017 a plan to improve student degree completion rates at each constituent institution effective for the 2017-18 academic year.

Subsection (b) requires the President to report on the plan to the Joint Legislative Education Oversight Committee (JLEOC), the Fiscal Research Division, and the Office of State Budget and Management by January 1, 2017.

Subsections (c) and (d) delay implementation of NC GAP to the 2017-18 academic year and limit its implementation to only those institutions that fail to implement the plan required by subsection (b) of this section. (H.B. 1140/S.B. 885)

Section: 11.3

Title: UNC PART-WAY HOME STRATEGY/REPORT

Summary Requires the President of UNC to report on the use of funds appropriated for part-way home initiatives to assist students in degree completion. The one-time report is due to the JLEOC by September 1, 2017. (H.B. 1140/S.B. 885)

Section: 11.4

Title: **ACCESS TO AFFORDABLE COLLEGE EDUCATION**

Summary Directs the UNC System to implement a variety of policies intended to reduce and make more predictable the costs of tuition and fees throughout the System.

Subsection (a) creates G.S. 116-143.9 to establish a fixed tuition payment program at each constituent institution effective beginning with the fall 2016 academic semester. The program guarantees a maximum tuition rate for any freshman or transfer undergraduate student for 8 or 10 semesters for students in an approved 4- or 5-year degree program, respectively.

Subsection (b) creates G.S. 116-143.10 to establish a 3% cap each academic year on the cumulative total increase of undergraduate student fees approved by either the BOG or the Board of Trustees of a constituent institution, effective beginning with the 2017-18 academic year. The fees charged for the 2016-2017 academic year are the baseline to be used to determine the permissible 3% fee increase for the 2017-2018 academic year.

Subsection (c) creates G.S. 116-143.11 to establish the NC Promise Tuition Plan and "Buy Down." The plan sets the undergraduate tuition rate for Elizabeth City State University (ECSU), UNC-Pembroke (UNC-P), and Western Carolina University (WCU) at \$500 per academic semester for resident students and \$2,500 per academic semester for nonresident students effective beginning with the 2018 fall academic semester. The State is required to "buy down" any financial obligation resulting from these established tuition rates that may be incurred by ECSU, UNC-P, or WCU. The Director of the Budget must determine the amount needed to offset forgone tuition receipts and authorize an increase in the UNC base budget by an amount up to \$40,000,000 to cover the "buy down" cost for each fiscal year effective beginning with the 2018-2019 fiscal year.

Subsection (c1) directs the BOG to, by January 16, 2017, develop and implement a marketing strategy designed to increase enrollment at ECSU and to effectively market the NC Promise Tuition Plan at that institution.

Subsections (d) and (d1) direct the BOG to study the effects of removing or increasing the current cap of 18% on the enrollment of nonresident freshmen at ECSU, UNC-P, and WCU, and to appropriately alter the cap if found advisable.

Subsection (e) creates G.S. 116-290 to establish the Cheatham-White Scholarship as a 4-year, fully funded merit scholarship for exceptional students who enroll at either NC Agricultural and Technical State University (NCA&T) or North Carolina Central University (NCCU). Each scholarship shall cover the cost of tuition, fees, housing, meals, textbooks, a laptop, supplies, travel, and personal expenses and shall provide 4 summers of fully funded enrichment opportunities that may include international travel and study. NCA&T and NCCU may each award up to 50 scholarships, each academic year, to up to 40 NC residents and 10 nonresidents. The subsection establishes eligibility and selection criteria and a nominating process for the scholarships and establishes the Cheatham-White Scholarships fund to be administered by UNC General Administration. Funds appropriated for the scholarships are required to be matched by non-State funds. UNC General Administration, NCA&T, and NCCU are required to develop policies and processes necessary to effectively implement the scholarships. The scholarships are established effective July 1, 2016, with nominations and first awards made in the 2017-18 academic year to students beginning a course of study at NCA&T or NCCU beginning with the 2018 fall academic semester. (S.B. 873)

(S.L. 2016-123, Sec. 4.2, Measurability Assessments/Budget Tech. Corr., amends the related Item 65 on page F-46 of the Education section of the Conference Committee Report to allocate ECSU marketing funds to the UNC BOG Institutional Programs Budget Code 16011.)

Section: 11.5

Title: **DISCLOSURE OF STUDENT DATA AND RECORDS BY PRIVATE INSTITUTIONS OF HIGHER EDUCATION/LIABILITY PROTECTION**

Summary Amends G.S. 116-229.1(a) regarding liability in the event of a disclosure or misuse of personally identifiable student data. Private colleges are absolved from liability for a breach of confidential student data if the data was shared in accordance with a written agreement with certain entities and those entities are responsible for the breach. This section adds the NC Independent Colleges and Universities, Inc. to that list of entities.

Section: 11.6

Title: **UNC TEACHER AND PRINCIPAL PREPARATION PROGRAM LAB SCHOOL FOR K-8 STUDENTS**

Summary Creates a requirement for UNC to operate 8 laboratory (lab) schools in certain districts and sets forth the requirements for establishing and operating such schools.

Subsection (a) adds Article 29A to Chapter 116 of the General Statutes to require certain UNC constituent institutions to establish and operate (lab) schools serving students in kindergarten through eighth grade.

G.S. 116-239.5 requires the BOG to designate 8 UNC constituent institutions with an educator preparation program to establish a lab school in accordance with the Article. It defines the mission of the schools as improving student performance in school systems with low-performing schools by providing enhanced education programs and clinical experience for teachers and principals in high-needs school settings. These schools are exempt from statutes and rules applicable to local boards of education, except as provided in the Article. This provides similar flexibility for lab schools as charter schools and regional schools.

G.S. 116-239.6 sets out definitions, including that the board of trustees of the UNC constituent institution shall be the governing body of the school and that a lab school is defined as a school located in a school system with 25% or more schools identified as low-performing per G.S. 115C-105.37 and that serves students in kindergarten through eighth grade.

G.S. 116-239.7 requires the BOG, in collaboration with the designated UNC constituent institutions, to adopt a plan for the location of the schools that includes geographic diversity and a maximum of one school per qualifying local school administrative unit (LEA). The BOG must update the plan as necessary and submit the plan to the Joint Legislative Commission on Governmental Operations at least 90 days prior to implementation. Boards of trustees at designated institutions must adopt a resolution establishing the school, including that the lab school be located in a qualifying LEA at the time of establishment and operate for a term of 5 years. At the end of 5 years, the resolution may be renewed for an additional 5 years if the LEA system still meets the low-performing school requirement, or a new lab school must be established if the LEA no longer qualifies as low-performing. The State Board of Education is responsible for approval of all lab schools. Additional subsections address the dissolution of a school, a local board taking over a school at the end of the 5 years, or the assumption of the school by another constituent institution if the educator prep program is terminated.

G.S. 116-239.8 sets out the powers and duties of the board of trustees and establishes the lab school requirements for academic programs, student conduct, attendance, reporting, student testing, education of children with disabilities, health and safety, school report cards, bullying policy, and access for youth groups. A board of trustees is required to establish an advisory board to oversee and evaluate the regular operations of the school, including finances and performance of the principal. The LEA is required to continue providing food and transportation services to students attending the lab school.

G.S. 116-239.9 specifies that any child who resides in the LEA and is enrolled in a low-performing school at the time the child applies to the lab school is eligible to attend the lab school. Priority enrollment shall be given to students who did not meet expected growth in the prior school under any one of a number of factors. Other eligible students will be accepted by lot if the applications exceed space. No student may be required to attend the lab school.

G.S. 116-239.10 provides for employment requirements and tasks the board of trustees with appointing all licensed and nonlicensed staff. Allows faculty members to serve simultaneously as instructional personnel at the lab school and the constituent institution.

G.S. 116-239.11 requires the State Board of Education and LEA to allocate funding to the lab

schools in a manner similar to that required for charter schools.

G.S. 116-239.12 requires criminal background checks of school personnel similar to what is required for LEAs.

G.S. 116-239.13 requires an annual review of the lab schools by the BOG in collaboration with the constituent institutions and the State Board of Education. The BOG is required to report annually by November 15 to the JLEOC on specific metrics of student performance and outcomes.

Subsections (b) and (c) contain conforming changes to require the lab schools to participate in cyberbullying policies and the calculations of School Achievement Scores, School Growth Scores, and School Performance Scores and Grades.

Subsection (d) specifies that 4 lab schools shall begin operation in the 2017-18 school year and the remaining 4 shall begin operation in the 2018-19 school year.

Subsection (e) requires the BOG to report to the Joint Legislative Commission on Governmental Operations by November 1, 2016, on the plan for the location of the lab schools and the designated constituent institutions that will operate the schools. The designated institutions are required to adopt resolutions creating the lab schools by April 1, 2017.

Subsection (f) specifies that the \$1,000,000 in nonrecurring funds appropriated by this act for the UNC Teacher and Principal Preparation Laboratory School Program shall be allocated to UNC General Administration to provide support to the institutions designated to operate the lab schools.

Subsection (g) requires the BOG to report to the JLEOC by November 15, 2017 on the progress of establishing the lab schools and by November 15, 2018 on the initial annual review of the schools.

(S.L. 2016-123, Section 4.5, amends G.S. 116-239.11(a)(1) as established by this section to remove the allocation for transportation services from the amount that the State Board of Education is required to allocate to a lab school.)

Section: 11.7

Title: **REPEAL LIMIT ON USE OF STATE FUNDS FOR UNC ADVANCEMENT ACTIVITY**

Summary Repeals Sec. 11.6 of S.L. 2015-241, which had imposed a \$1 million cap on the amount of State funds that could be used for advancement activity purposes at UNC constituent institutions. (H.B. 1140/S.B. 885)

Section: 11.8

Title: **ESTABLISH NORTH CAROLINA POLICY COLLABORATORY AT THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

Summary Specifies that the \$1 million appropriated by this act to the UNC BOG for the North Carolina Policy Collaboratory shall be used to establish a Collaboratory at UNC-Chapel Hill to disseminate research in natural resource management, among other topics, for practical use by State and local governments.

Section: 11.9

Title: **REIMBURSE FINE ASSESSED AGAINST UNC-CHAPEL HILL FOR EXCEEDING OUT-OF-STATE STUDENT ADMISSION LIMIT**

Summary Directs the BOG to allocate \$500,000 of funds appropriated to UNC-Chapel Hill to partially offset a fine assessed against the institution for exceeding nonresident freshman enrollment caps.

Section: 11A.2

Title: **MODIFICATIONS TO THE SPECIAL EDUCATION SCHOLARSHIP GRANT PROGRAM FOR CHILDREN WITH DISABILITIES**

Summary Amends G.S.115C-112, Part 1H, to revise eligibility, evaluation, and reimbursement components of the Special Education Scholarships for Students with Disabilities, effective beginning with the 2016-17 school year.

Subsection (a) revises eligibility for the grants to require that recipients reside in NC and to make eligible students attending Department of Defense schools during the previous semester, students whose parent or guardian is active duty military, and students who have been domiciled in the State for at least 6 months.

Subsection (b) establishes the following prioritization of awards: first to those who received a scholarship the previous semester, next to those meeting other requirements in G.S. 115C-112.5(2)f.1., 2., 4., and 5., and last to those merely domiciled in NC for at least 6 months. The subsection also amends the scholarship disbursement policy to restore a reimbursement option, clarifies that carryforward of funds is limited to reimbursing eligible expenses for existing awards, and adds psychiatrists to the list of those that may assess continued eligibility for special education services.

Subsection (c) revises reporting requirements to include reporting by applicant type to conform with the revised eligibility criteria in subsection (a).

Subsection (d) specifies that, for the 2016-17 school year only, a child may be deemed eligible for the program if the child's parent or guardian submitted an application in the 2015-16 school year, the child was eligible at that time, and the child was enrolled in a public school for at least 75 days in the spring semester of the 2014-15 or 2015-16 school year.

Subsection (e) specifies that, except as provided otherwise, this section applies beginning with the 2016-17 school year. (H.B. 955, H.B. 1140/S.B. 885, S.B. 561)

Section: 11A.3

Title: **OPPORTUNITY SCHOLARSHIP MODIFICATIONS/PROGRAM FORWARD FUNDING**

Summary Amends G.S.115C-562, Part 2A, to revise the Opportunity Scholarship Grants by amending eligibility criteria, establishing a Grant Fund Reserve, and creating a statutory appropriation with annual increases through FY 2027-28.

Subsection (a) revises eligibility for the grants to require that recipients reside in NC and to make eligible students attending Department of Defense schools during the previous semester and students whose parent or guardian is active duty military.

Subsection (b) increases the cap from 35% to 40% on remaining funds which may be used to award scholarship grants to eligible students entering either kindergarten or the first grade.

Subsections (c), (d), (e), and (f) establish the Opportunity Scholarship Grant Fund Reserve in order to shift the program to forward-funded status so that appropriations in one fiscal year are to be used to make awards for scholarships for the next fiscal year. Funds appropriated in one fiscal year are allowed to be carried forward for 2 fiscal years before reverting to the General Fund.

Subsection (g) creates a statutory appropriation for the program and specifies an increase of \$10 million annually through FY 2027-28. For FY 2027-28 and subsequent fiscal years, \$144.8 million will be appropriated for the program. Of these funds, the State Education Assistance Authority may use up to the lesser of 4% or \$1.5 million for administrative costs.

Subsection (h) repeals Sec. 8.29(f) of S.L. 2013-360, 2013 Appropriations Act.

Subsection (i) specifies that subsections (a) and (b) of this section apply beginning with the 2016-17 school year, while subsections (g) and (h) are effective beginning July 1, 2017. (H.B. 955, H.B. 969/S.B. 742, H.B. 1140/S.B. 885, S.B. 862)

Section: 11A.4

Title: **TRANSFORMING PRINCIPAL PREPARATION/CLARIFY RFP GRANTS**

Summary Amends S.L. 2015-241, Sec. 11.9 to allow the administering nonprofit to issue multiple Requests for Proposals for principal professional development grants.

(S.L. 2016-123, Sec. 4.3, further amends S.L. 2015-241, Sec. 11.9 to reduce the amount of funds appropriated that may be used for contracting with a nonprofit entity and for administration from \$500,000 to \$300,000.)

2016 Session: HB 805

Department: UNC System

Section: 4.2

Title: **TECHNICAL CHANGE: ACCESS TO AFFORDABLE COLLEGE EDUCATION**

Summary Modifies Item 65 on page F-46 of the Education section of the Conference Committee Report to allocate Elizabeth City State University marketing funds to the UNC Board of Governors Institutional Programs Budget Code 16011.

Section: 4.3

Title: **BUDGET CHANGE: TRANSFORMING PRINCIPAL PREPARATION**

Summary Modifies S.L. 2015-241, Sec. 11.9, as amended by S.L. 2016-94, Section 11A.4, 2016 Appropriations Act, to add a reporting component on the number of program participants who have remained employed in a North Carolina public school for 2 or more years and to reduce the amount of funds appropriated that may be used for contracting with a nonprofit entity and for administration from \$500,000 to \$300,000.

Section: 4.5

Title: **TECHNICAL CHANGE: UNC LAB SCHOOL**

Summary Amends G.S. 116-239.11(a)(1), as enacted by S.L. 2016-94, Sec. 11.6, to remove the allocation for transportation services from the amount that the State Board of Education is required to allocate to a lab school.

**Health
and
Human Services
Section G**

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**Central Management
Budget Code 14410**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$216,674,084
Receipts	\$86,640,831
Net Appropriation	\$130,033,253
 Legislative Changes	
Requirements	\$23,653,867
Receipts	\$14,711,098
Net Appropriation	\$8,942,769
 Revised Budget	
Requirements	\$240,327,951
Receipts	\$101,351,929
Net Appropriation	\$138,976,022

General Fund FTE

Enacted Budget	745.76
Legislative Changes	3.00
Revised Budget	748.76

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Central Management Budget Code 14410		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1119	Service Support-Administration	6,470,066	1,480,029	4,990,037	-	-	-	6,470,066	1,480,029	4,990,037
1120	Service Support-Central Management	17,958,289	3,485,403	14,472,886	286,430	143,215	143,215	18,244,719	3,628,618	14,616,101
1121	Service Support-Controllers Office	17,597,670	7,845,098	9,752,572	-	-	-	17,597,670	7,845,098	9,752,572
1122	DIRM-Information Services	73,231,074	50,650,213	22,580,861	3,503,089	334,265	3,168,824	76,734,163	50,984,478	25,749,685
1123	DIRM-Planning and Development	454,508	396,457	58,051	-	-	-	454,508	396,457	58,051
1124	NC Council on Developmental Disabilities	2,312,533	2,233,612	78,921	-	-	-	2,312,533	2,233,612	78,921
1125	Service Support - Medicaid Mgmt Info System	480,610	1,134	479,476	-	-	-	480,610	1,134	479,476
1126	Central Regional Maintenance - Dix	9,399,644	1,703,636	7,696,008	-	-	-	9,399,644	1,703,636	7,696,008
1161	Rural Hospital - Assistance	2,302,301	2,302,301	-	-	-	-	2,302,301	2,302,301	-
1162	Rural Health Capacity Building	4,486,426	2,884,384	1,602,042	-	-	-	4,486,426	2,884,384	1,602,042
1163	Primary Care Safety Net Infrastructure	7,709,288	22,119	7,687,169	-	-	-	7,709,288	22,119	7,687,169
1164	Rural Health Centers	3,726,657	437,702	3,288,955	-	-	-	3,726,657	437,702	3,288,955
1168	Telemedicine	2,054,070	48,663	2,005,407	-	-	-	2,054,070	48,663	2,005,407
1320	Prescription Assistance	3,386,926	859,175	2,527,751	200,000	-	200,000	3,586,926	859,175	2,727,751
1371	NC Farmworker Health	2,442,623	2,441,399	1,224	-	-	-	2,442,623	2,441,399	1,224
1372	Community Care of NC	4,141,894	4,053,165	88,729	-	-	-	4,141,894	4,053,165	88,729
1373	Services for the Uninsured	219,025	67,242	151,783	-	-	-	219,025	67,242	151,783
1910	Reserves and Transfers	56,423,881	3,852,500	52,571,381	4,500,000	-	4,500,000	60,923,881	3,852,500	57,071,381
1991	Indirect Cost - Reserve	116,418	116,418	-	-	-	-	116,418	116,418	-
1992	Prior Year - Earned Revenue	1,760,181	1,760,181	-	-	-	-	1,760,181	1,760,181	-
2411	DIRM-IT NCFAS				14,226,272	14,226,272	-	14,226,272	14,226,272	-
Division-wide Items										
N/A	CCDF Block Grant	-	-	-	7,346	7,346	-	7,346	7,346	-
N/A	Reserve for Compensation Increase	-	-	-	702,288	N/A	702,288	702,288	N/A	702,288
N/A	Reserve for Retirement Contributions	-	-	-	228,442	N/A	228,442	228,442	N/A	228,442
Total		\$216,674,084	\$86,640,831	\$130,033,253	\$23,653,867	\$14,711,098	\$8,942,769	\$240,327,951	\$101,351,929	\$138,976,022

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Central Management					
Budget Code 14410		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1119	Service Support-Administration	66.00	-	-	66.00
1120	Service Support-Central Management	101.75	3.00	-	104.75
1121	Service Support-Controllers Office	245.00	-	-	245.00
1122	DIRM-Information Services	235.00	-	-	235.00
1123	DIRM-Planning and Development		-	-	-
1124	NC Council on Developmental Disabilities	11.00	-	-	11.00
1125	Service Support - Medicaid Mgnt Info System		-	-	-
1126	Central Regional Maintenance - Dix	108.00	-	-	108.00
1161	Rural Hospital - Assistance	1.51	-	-	1.51
1162	Rural Health Capacity Building	5.00	-	-	5.00
1163	Primary Care Safety Net Infrastructure	1.00	-	-	1.00
1164	Rural Health Centers	9.00	-	-	9.00
1168	Telemedicine	1.00	-	-	1.00
1320	Prescription Assistance	6.00	-	-	6.00
1371	NC Farmworker Health	6.00	-	-	6.00
1372	Community Care of NC	3.50	-	-	3.50
1373	Services for the Uninsured	3.00	-	-	3.00
1910	Reserves and Transfers	(57.00)	-	-	(57.00)
1991	Indirect Cost - Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		745.76	3.00	-	748.76

Health and Human Services

GENERAL FUND

FY 16-17
\$130,033,253

Total Budget Enacted 2015 Session

Legislative Changes

(1.0) Division of Central Management and Support

1 Compensation Increase Reserve	\$526,716	R
Fund Code: N/A	\$175,572	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S. L. 2016-94, Secs. 36.1A, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

2 State Retirement Contributions	\$91,377	R
Fund Code: N/A	\$137,065	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

3 Miscellaneous Contractual Services		
Fund Code: 1910	(\$3,200,000)	NR

Continues a reduction for miscellaneous contracts implemented in FY 2014-15 on a department-wide basis.

4 County Department of Social Services Improve Medicaid Timeliness \$143,215 R

Fund Code: 1120

3.00

Provides 3 Business System Analyst positions to interpret Medicaid data by combining and analyzing diverse types of data from several data warehouses to extract actionable data discoveries and new trend analytics. These positions will develop performance standards for county departments of social services (DSS) offices, monitor the data to measure performance, and provide better guidance to county DSS offices on how to improve the timeliness and accuracy of Medicaid eligibility determinations. These positions can also assist with training county DSS offices on how to effectively use NC FAST data to manage the Medicaid eligibility determination workload. The revised net appropriation for Fund 1120 Service Support - Central Management is \$14.6 million. (H.B. 1087/S.B. 841; S.L. 2016-94, Sec. 12H.17)

5 NC MedAssist Program

Fund Code: 1320

\$200,000 NR

Provides funds for a pharmacy program that provides access to prescription medications, patient support, advocacy and related services to indigent and uninsured North Carolina residents. The revised net appropriation for Fund 1320 Prescription Assistance is \$2.7 million.

6 NC FAST Next Phase

Fund Code: 2411

Budgets federal receipts of \$12,637,255 and prior year earned revenue of \$1,589,017 for NC FAST to implement client self-service functionality, including secure inbox, document upload, renewals, online appeals, a Quality Assurance Manager, and increased reporting. The revised net appropriation remains unchanged at \$13 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12A.1)

7 Graduate Medical Education \$7,700,000 R

Fund Code: 1910

Supports the establishment of a residency program at Cape Fear Valley Medical Center that is affiliated with Campbell University Medical School. This appropriation replaces an anticipated loss of Medicare revenue as a result of the hospital's future reclassification as a rural hospital by the Centers for Medicare and Medicaid Services. The amount of the net appropriation is based on a calculation of the actual reduction in Medicare payments due to the reclassification to a rural hospital, less \$3.0 million from private donations. The maximum paid to Cape Fear Valley Hospital shall not exceed \$7.7 million. The revised net appropriation for Graduate Medical Education at Cape Fear Valley Medical Center is \$7.7 million. (S.L. 2016-94, Sec. 12A.8)

8 Health Analytics Pilot

Fund Code: 1122 \$1,250,000 NR

Provides funds for a pilot to integrate new data sources, such as patient-level Healthcare Effectiveness Data and Information Set (HEDIS) quality measures; automate reporting and analytic capabilities; integrate a tool to construct and analyze claims as clinical episodes of care to fit into reform; and help the State move to value-based purchasing arrangements. The revised net appropriation for the Health Analytics Pilot is \$1.5 million.(S.L. 2016-94, Sec. 12A.7)

9 Data Analytics and Performance Enhancement

Fund Code: 1122 \$1,918,824 NR

Provides funds to continue the State's investment in its data analytics capabilities. This item replaces current hardware and moves toward an enterprise solution with enhanced performance and technical support. The revised net appropriation for Fund 1122 DIRM - Information System Services is \$25.7 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12A.10)

10 Child Care Development Fund Block Grant

Fund Code: N/A

Budgets additional Child Care Development Fund (CCDF) block grant federal receipts in the amount of \$7,346. The revised CCDF block grant federal receipts for the Division is \$1.6 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

Total Legislative Changes	\$8,461,308	R
	\$481,461	NR
Total Position Changes		3.00
Revised Budget	\$138,976,022	

FY 2016-17

2016 Annotated Conference Committee Report

DHHS-CENTRAL MANAGEMENT-IT PROJECTS

Budget Code: 24410

	FY 2016-17
Beginning Unreserved Fund Balance	\$10,403,792
Recommended Budget	
Requirements	\$42,043,531
Receipts	\$42,181,452
Positions	205.00

Legislative Changes

Requirements:

Data Collection and Information Management Information System	\$0	R
Budgets funds from Budget Code 67425 to implement a Data Collection and Service Management Information System to replace the current legacy system used by the Division of Services for the Deaf and Hard of Hearing. The project shall not proceed until the Business Case has been approved by the State Budget Director and the State Chief Information Officer. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12J.1)	\$750,000	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$750,000	NR
	0.00	

Receipts:

Blind & Deaf/HH Trust Telecommunications	\$0	R
Transfers funds from Budget Code 67425 to the Central Management Services Division to implement a Data Collection and Service Management Information System to replace the current legacy system used by the Division of Services for the Deaf and Hard of Hearing. The	\$750,000	NR

FY 2016-17

project shall not proceed until the Business Case has been approved by the State Budget Officer and the State Chief Information Officer.

Subtotal Legislative Changes

\$0 R

\$750,000 NR

Revised Total Requirements

\$42,793,531

Revised Total Receipts

\$42,931,452

Change in Fund Balance

\$137,921

Total Positions

205.00

Unappropriated Balance Remaining

\$10,541,713

Special Provisions

2016 Session: HB 1030

Division: (1.0) Division of Central Management and Support

Section: 12A.1

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

Summary Amends Section 12A.7, S.L. 2015-241, 2015 Appropriations Act, to increase the amount of nonrecurring funds that may be used to develop and implement specific components of the NC FAST program and adds 1 additional component required by the Centers for Medicare and Medicaid Services (CMS). (H.B. 1140/S.B. 885)

Section: 12A.2

Title: ELIMINATION OF NC TRACKS ICD-10 IMPLEMENTATION REPORT

Summary Repeals Section 12 A.6(b), S. L. 2015-241 to eliminate a monthly reporting requirement on the status of a medical classification implementation that is now complete.

Section: 12A.3

Title: FINAL REPORT ON COMMUNITY PARAMEDICINE PILOT PROGRAM

Summary Extends the final reporting deadline for the Community Paramedicine Pilot Program authorized in Section 12A.12 of the 2015 Appropriations Act by 4 months to March 1, 2017. (H.B. 1140/S.B.885)

Section: 12A.4

Title: CONTRACTING SPECIALIST TRAINING PROGRAM

Summary Requires the UNC School of Government, in collaboration with DHHS, to prepare and submit by August 1, 2016, a proposal for the design of a contracting specialist training program for management-level personnel within DHHS. Requires the School of Government, in collaboration with DHHS, to prepare and submit a proposal for the implementation and administration of that training program during the 2017 Regular Session. (S.B. 775)

Section: 12A.5

Title: REVISIONS/COMPETITIVE GRANTS/NONPROFIT ORGANIZATIONS

Summary Amends Section 12A.8, S.L. 2015-241, 2015 Appropriations Act, to allow programs that provide year-round sports training and athletic competition for children and adults with disabilities to compete in the competitive grants process for nonprofits. Initial disbursement of grants must be awarded no later than 30 days after certification of the State budget and funds that have been awarded but not yet disbursed or encumbered will not revert.

(S.L. 2016-123, Sec. 5.9, Measurability Assessments/Budget Tech. Corr., amends this section to clarify that programs that provide year-round sports training and athletic competition for children and adults with disabilities may compete beginning in the 2017-18 fiscal year.)

Section: 12A.7

Title: **FUNDS FOR CONTINUED DEVELOPMENT OF HEALTH ANALYTICS PILOT PROGRAM**

Summary Expands the health analytics pilot program authorized in Section 12A.17 of the 2015 Appropriations Act. The expanded program scope must include: (1) integration of new data sources, such as patient-level quality measures, (2) customized reporting and analytics capabilities, (3) a tool to construct and analyze claims as clinical episodes of care, and (4) operationalization of the pilot program, including an ongoing feed of data sources. The provision also requires DHHS and the Government Data Analytics Center (GDAC) to make a final report on the pilot program by May 31, 2017.

Section: 12A.8

Title: **GRADUATE MEDICAL EDUCATION FUNDING/CAPE FEAR VALLEY MEDICAL CENTER**

Summary Directs the appropriation of funds for a new residency program at Cape Fear Valley (CFV) Medical Center that is affiliated with Campbell University.

Subsection (a) provides a formula for calculating the specific amount of recurring funds to be allocated to the medical center. The formula ensures that the recurring allocation will not exceed the lesser of (1) the amount of lost Medicare revenues attributed to the hospital's reclassification by the federal government as a rural hospital minus \$3 million in private donations, or (2) \$7.7 million.

Subsection (b) conditions the release of funds to CFV Medical Center upon written certification by the Office of State Budget and Management that the following 3 conditions have been met by June 30, 2017: (1) a yearly requirement that CFV has received at least \$3 million in private donations for the residency programs; (2) CFV has received approval from the federal government for reclassification as a rural hospital; and (3) CFV has obtained approval from the Accreditation Council for Graduate Medical Education or the American Osteopathic Association for residency programs with a minimum of 130 additional residency slots.

Subsection (c) specifies how to calculate the initial payment of funds to CFV Medical Center following approval of rural reclassification in order to ensure that the initial payment is retroactive to the application filing date.

Subsection (d) requires CFV Medical Center to report annually on or before April 1st to the Health and Human Services Appropriations Committees regarding its progress in establishing residency programs funded by State appropriations.

Section: 12A.9

Title: **QUALIFICATIONS OF DIRECTOR OF OFFICE OF PROGRAM EVALUATION, REPORTING, AND ACCOUNTABILITY**

Summary Eliminates the requirement that the director have at least 10 years of experience in program evaluation; instead requires at least 3 years of experience at the management level demonstrating increasing levels of responsibility within the field of program evaluation.

Section: 12A.10

Title: **DATA ANALYTICS AND PERFORMANCE ENHANCEMENT**

Summary Continues the requirement that any enhancement of the State's data analytics capabilities utilizing funds appropriated to DHHS to be subject to applicable State laws requiring these analytics to be developed and implemented in collaboration with the Government Data Analytics Center (GDAC).

Section: 12K.1

Title: **DHHS BLOCK GRANTS**

Summary Amends Section 12I.1, S.L. 2015-241, 2015 Appropriations Act, as amended by Section 4.6, S.L. 2015-268, General Government Technical Corrections-AB, to adjust the allocation of over \$900 million in federal block grant funds for FY 2016-17.

Subsections (b) through (f) direct the use of all of the block grants.

Subsections (g) through (i1) direct the use of the Temporary Assistance for Needy Families block grant.

Subsections (j) through (q1) direct the use of the Social Services Block Grant.

Subsections (r) and (s) direct the use of the Low-Income Home Energy Assistance Block Grant.

Subsections (t) and (u) direct the use of the Child Care and Development Fund Block Grant.

Subsection (v) directs the use of the Mental Health Services Block Grant.

Subsections (w) and (w1) direct the use of the Substance Abuse Prevention and Treatment Block Grant.

Subsections (x) through (bb) direct the use of the Maternal and Child Health Block Grant. (H.B. 1140/S.B. 885)

Section: 12I.1

Title: **STUDY ESTABLISHMENT OF OPTOMETRY SCHOOL AT WINGATE UNIVERSITY**

Summary Encourages Wingate University to study the feasibility of establishing an affiliated school of optometry in North Carolina and to report back to House and Senate Appropriations Committees on Health and Human Services and the Joint Legislative Oversight Committee on Health and Human Services by May 1, 2017 on its findings. One of the report requirements is to include a projection of how an appropriation of \$800,000 would impact tuition reimbursement for students.

2016 Session: HB 805

Division: (1.0) Division of Central Management and Support

Section: 5.9

Title: **TECHNICAL CORRECTION: AMENDS EFFECTIVE DATE OF NEW INITIATIVE**

Summary Amends S.L. 2016-94, Sec. 12A.5(b), 2016 Appropriations Act, to clarify that programs that provide year-round sports training and athletic competition for children and adults with disabilities may compete for funds in the competitive block grant funds for non-profits beginning in the 2017-18 fiscal year.

**Division of Aging
Budget Code 14411**

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$105,473,473
Receipts	\$61,658,136
<hr/>	
Net Appropriation	\$43,815,337

Legislative Changes

Requirements	\$809,321
Receipts	\$0
<hr/>	
Net Appropriation	\$809,321

Revised Budget

Requirements	\$106,282,794
Receipts	\$61,658,136
<hr/>	
Net Appropriation	\$44,624,658

General Fund FTE

Enacted Budget	76.50
Legislative Changes	2.00
<hr/>	
Revised Budget	78.50

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Division of Aging		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14411		Requirements	Receipts	Net	Requirements	Receipts	Net	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name			Appropriation			Appropriation			
1110	Service Support	2,849,382	1,709,350	1,140,032	-	-	-	2,849,382	1,709,350	1,140,032
1160	Professional Development and Capacity Building	218,806	218,806	-	-	-	-	218,806	218,806	-
1167	Emergency Shelter	4,803,739	4,803,739	-	-	-	-	4,803,739	4,803,739	-
1260	Access Outreach - Aging Adults	2,405,916	1,065,132	1,340,784	-	-	-	2,405,916	1,065,132	1,340,784
1270	Quality Improvement - Wellness and Health Promotion	798,384	732,012	66,372	-	-	-	798,384	732,012	66,372
1370	Senior Nutrition/ Fan Programs	10,733,138	10,313,685	419,453	-	-	-	10,733,138	10,313,685	419,453
1410	Case Management and Counseling	82,206	60,359	21,847	-	-	-	82,206	60,359	21,847
1451	Community Based Services and Supports	61,391,239	29,200,409	32,190,830	-	-	-	61,391,239	29,200,409	32,190,830
1452	Alzheimer's and Dementia Support Services Support	4,581,367	3,989,691	591,676	750,000	-	750,000	5,331,367	3,989,691	1,341,676
1453	At-Risk Case Management	82,743	52,373	30,370	-	-	-	82,743	52,373	30,370
1454	Key Program	6,183,669	68,037	6,115,632	-	-	-	6,183,669	68,037	6,115,632
1480	Senior Community Services Employment Services	2,437,963	2,431,225	6,738	-	-	-	2,437,963	2,431,225	6,738
1510	Adult Protective Services and Guardianship	4,441,357	3,933,704	507,653	-	-	-	4,441,357	3,933,704	507,653
1550	Long Term Care - Ombudsman Services	3,707,706	2,622,422	1,085,284	-	-	-	3,707,706	2,622,422	1,085,284
1570	State/County Special Assistance Administration	677,552	378,886	298,666	-	-	-	677,552	378,886	298,666
1910	Reserves and Transfers	-	-	-	-	-	-	-	-	-
1991	Indirect Cost - Reserve	78,306	78,306	-	-	-	-	78,306	78,306	-
Division-wide Items										
N/A	Reserve for Compensation Increase	-	-	-	44,761	N/A	44,761	44,761	N/A	44,761
N/A	Reserve for Retirement Contributions	-	-	-	14,560	N/A	14,560	14,560	N/A	14,560
Total		\$105,473,473	\$61,658,136	\$43,815,337	\$809,321	\$0	\$809,321	\$106,282,794	\$61,658,136	\$44,624,658

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Division of Aging		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Budget Code 14411		Total Requirements	Net Appropriation	Receipts	Total Requirements
Fund Code	Fund Name				
1110	Service Support	18.00	-	-	18.00
1160	Professional Development and Capacity Building	-	-	-	-
1167	Emergency Shelter	2.00	-	-	2.00
1260	Access Outreach - Aging Adults	3.00	-	-	3.00
1270	Promotion	1.00	-	-	1.00
1370	Senior Nutrition/ Fan Programs	-	-	-	-
1410	Case Management and Counseling	1.00	-	-	1.00
1451	Community Based Services and Supports	9.50	-	-	9.50
1452	Alzheimer's and Dementia Support Services Support	2.00	2.00	-	4.00
1453	At-Risk Case Management	1.00	-	-	1.00
1454	Key Program	11.00	-	-	11.00
1480	Senior Community Services Employment Services	1.00	-	-	1.00
1510	Adult Protective Services and Guardianship	14.00	-	-	14.00
1550	Long Term Care - Ombudsman Services	5.00	-	-	5.00
1570	State/County Special Assistance Administration	8.00	-	-	8.00
1910	Reserves and Transfers	-	-	-	-
1991	Indirect Cost - Reserve	-	-	-	-
Total FTE		76.50	2.00	-	78.50

Health and Human Services

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$43,815,337

Legislative Changes

(2.0) Division of Aging and Adult Services

11 Compensation Increase Reserve	\$33,571	R
Fund Code: N/A	\$11,190	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S. L. 2016-94, Secs. 36.1A, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

12 State Retirement Contributions	\$5,824	R
Fund Code: N/A	\$8,736	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

13 Project CARE Support for Alzheimer's Patients and Their Families	\$550,000	R
Fund Code: 1452		

Increases funding for Project CARE (Caregiver Alternatives to Running on Empty) effective October 1, 2016, to support families acting as caregivers for family members with Alzheimer's disease. The increased funding will provide vouchers for respite services and 3 additional full-time family consultants for Project CARE. The revised net appropriation for FY 2016-17 for Project CARE is \$850,000. (H.B. 1140/S.B. 885; H.B. 1001/S.B. 735)

14 No Wrong Door to Accessing Benefits Initiative \$200,000 R

Fund Code: 1452

2.00

Creates 2 full-time equivalent staff positions within the Division of Aging and Adult Services to oversee continued development and implementation of the No Wrong Door to Accessing Benefits initiative. Staff responsibilities will include enhancement of the NC 2-1-1 database and management of Alzheimer's disease and dementia-related stakeholder partnerships. The revised net appropriation for the No Wrong Door To Accessing Benefits Initiative is \$200,000. (H.B. 1001/S.B. 735)

Total Legislative Changes **\$789,395** **R**

\$19,926 **NR**

Total Position Changes 2.00

Revised Budget **\$44,624,658**

Special Provisions

2016 Session: HB 1030

Division: (2.0) Division of Aging and Adult Services

Section:

Title: **No Special Provisions**

Summary

**Division of Child Development and Early Education
Budget Code 14420**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$671,468,663
Receipts	\$428,434,687
Net Appropriation	\$243,033,976
 Legislative Changes	
Requirements	\$22,399,326
Receipts	\$29,075,109
Net Appropriation	(\$6,675,783)
 Revised Budget	
Requirements	\$693,867,989
Receipts	\$457,509,796
Net Appropriation	\$236,358,193

General Fund FTE

Enacted Budget	298.75
Legislative Changes	10.00
Revised Budget	308.75

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Division of Child Development and Early Education		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14420										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
14A0	Smart Start - Health Related Activities	5,527,584	-	5,527,584	-	-	-	5,527,584	-	5,527,584
1110	Service Support	4,067,011	2,175,811	1,891,200	-	-	-	4,067,011	2,175,811	1,891,200
1151	Child Care - Regulation	14,069,271	14,069,271	-	154,676	154,676	-	14,223,947	14,223,947	-
1152	DHHS - Criminal Record Checks	1,964,117	1,349,480	614,637	153,109	153,109	-	2,117,226	1,502,589	614,637
1161	Child Care - Capacity Building	15,113,882	15,076,903	36,979	80,438	80,438	-	15,194,320	15,157,341	36,979
1162	Smart Start - Child Care Related Activities	52,371,075	-	52,371,075	-	-	-	52,371,075	-	52,371,075
1271	Smart Start - Family Support Activities	18,434,178	-	18,434,178	-	-	-	18,434,178	-	18,434,178
1272	Child Care - Rated License	2,870,615	2,870,615	-	-	-	-	2,870,615	2,870,615	-
1330	Pre-Kindergarten Program	144,178,390	91,286,091	52,892,299	1,325,000	6,430,899	(5,105,899)	145,503,390	97,716,990	47,786,400
1380	Subsidized Child Care	342,191,924	294,606,516	47,585,408	5,050,212	6,675,212	(1,625,000)	347,242,136	301,281,728	45,960,408
1381	Smart Start - Subsidized Child Care	70,680,616	7,000,000	63,680,616	-	-	-	70,680,616	7,000,000	63,680,616
Division-wide Items										
N/A	CCDF Block Grant	-	-	-	15,580,775	15,580,775	-	15,580,775	15,580,775	-
N/A	Reserve for Compensation Increase	-	-	-	41,588	NA	41,588	41,588	NA	41,588
N/A	Reserve for Retirement Contributions	-	-	-	13,528	NA	13,528	13,528	NA	13,528
Total		\$671,468,663	\$428,434,687	\$243,033,976	\$22,399,326	\$29,075,109	(\$6,675,783)	\$693,867,989	\$457,509,796	\$236,358,193

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Division of Child Development and Early Education					
Budget Code 14420		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
14A0	Smart Start - Health Related Activities	-	-	-	-
1110	Service Support	34.00	-	-	34.00
1151	Child Care - Regulation	202.75	-	2.00	204.75
1152	DHHS - Criminal Record Checks	18.00	-	3.00	21.00
1161	Child Care - Capacity Building	12.00	-	1.00	13.00
1162	Smart Start - Child Care Related Activities	-	-	-	-
1271	Smart Start - Family Support Activities	-	-	-	-
1272	Child Care - Rated License	-	-	-	-
1330	Pre-Kindergarten Program	8.00	-	-	8.00
1380	Subsidized Child Care	24.00	-	4.00	28.00
1381	Smart Start - Subsidized Child Care	-	-	-	-
Total FTE		298.75	-	10.00	308.75

Health and Human Services

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$243,033,976

Legislative Changes

(3.0) Division of Child Development and Early Education

15 Compensation Increase Reserve	\$31,191	R
Fund Code: N/A	\$10,397	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S. L. 2016-94, Secs. 36.1A, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

16 State Retirement Contributions	\$5,411	R
Fund Code: N/A	\$8,117	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

17 Child Care Subsidy Federal Funds	(\$6,400,000)	NR
Fund Code: 1380		

Budgets Temporary Assistance for Needy Families block grant receipts of \$3.6 million and Child Care Development Funds block grant receipts of \$2.8 million on a nonrecurring basis for the Child Care Subsidy program, and accordingly reduces the revised net appropriation by the same amount. The revised net appropriation from all actions in this report for the Child Care Subsidy Program is \$46 million. (S.L. 2016-94, Sec. 12K.1)

18 NC Pre-K Federal Funds

Fund Code: 1330 (\$6,430,899) NR

Budgets Temporary Assistance for Needy Families block grant receipts on a nonrecurring basis for NC Pre-K, and accordingly reduces the revised net appropriation by the same amount. The requirements for NC Pre-K remain unchanged at \$144.2 million. The revised net appropriation for NC Pre-K is \$47.8 million. (S.L. 2016-94, Sec. 12K.1)

19 NC Pre-K Increase Children Served

\$1,325,000 R

Fund Code: 1330

Provides funding to serve an additional 260 children in NC Pre-K, bringing the total number of slots to 29,400. The revised net appropriation from all actions in this report for NC Pre-K is \$47.8 million. (H.B. 1140/S.B. 885)

20 Child Care Subsidy Increase Children Served

\$1,325,000 R

Fund Code: 1380

Provides funding to serve an additional 260 children in the Child Care Subsidy program. The revised net appropriation for Child Care Subsidy from all actions in this report is \$46 million.

21 Child Care Subsidy Market Rate Increase

\$3,450,000 R

Fund Code: 1380

Increases the Child Care Subsidy market rate effective October 1, 2016, for children age 3-5 in Tier 1 and 2 counties to the recommended rate in the 2015 Market Rate Study. The annualized net appropriation is \$4.6 million. The revised net appropriation for Child Care Subsidy from all actions in this report for FY 2016-17 is \$46 million. (S.L. 2016-94, Sec. 12B.3)

22 Child Care Quality Improvement

Fund Code: 1151, 1152, 1161, 1380

Provides funds for quality enhancements in child care through additional Child Care Development Fund (CCDF) block grant requirements and receipts in the amount of \$663,435. These funds will be used for criminal background checks, enhanced training, and improved fraud prevention and detection. These funds will support 10 receipt supported positions: 1 Human Services Planner/Evaluator III, 1 Child Day Care Program Manager, 1 Administrative Assistant I, 2 Processing Assistant V, 1 Human Services Planner/Evaluation IV, and 4 Administrative Officer II's. The revised net appropriation remains unchanged for child care regulation at \$0, criminal record checks at \$614,637 and for child care capacity building at \$36,979. The revised net appropriation for the Child Care Subsidy Program from all actions in this report for FY 2016-17 is \$46 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

23 Child Care Development Block Grant

Fund Code: N/A

Budgets additional CCDF block grant federal receipts in the amount of \$15,580,775. The revised CCDF block grant federal receipts for the Division are \$204 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

Total Legislative Changes	\$6,136,602	R
	(\$12,812,385)	NR
Total Position Changes		
Revised Budget	\$236,358,193	

Special Provisions

2016 Session: HB 1030

Division: (3.0) Division of Child Development and Early Education

Section: 12B.1

Title: **NC PRE-K/CLARIFY BUILDING STANDARDS**

Summary Amends Section 12B.1, S.L. 2015-241, 2015 Appropriations Act, to allow private child care facilities and public schools with NC Pre-K classrooms to meet building standards for preschool students as required by G.S. 115C-521.1, which are the building standards for preschool students in public schools.

Section: 12B.2

Title: **STUDY CHILD CARE SUBSIDY RATE SETTING**

Summary Directs the Division of Child Development and Early Education to study how rates are set for child care subsidy by reviewing market rate studies and any other relevant rate-setting methodologies. A report on recommendations, suggested methodology, and timeframes for implementation must be submitted to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division by March 1, 2017.

Section: 12B.3

Title: **ADDITIONAL CHILD CARE SUBSIDY MARKET RATE INCREASES/CERTAIN AGE GROUPS AND COUNTIES**

Summary Amends Section 12B.2A, S.L. 2015-241, 2015 Appropriations Act, to require the Division of Child Development and Early Education increase child care subsidy market rates beginning October 1, 2016, to the rates recommended in the 2015 Market Rate Study for ages 3 through 5 in 3-, 4-, and 5-star-rated centers and homes in Tier 1 and Tier 2 counties.

Section: 12B.4

Title: **STUDY COSTS AND EFFECTIVENESS ASSOCIATED WITH NC PRE-K SLOTS**

Summary Directs the Division of Child Development and Early Education to study the costs and effectiveness of funding NC Pre-K slots. The report on findings and recommendations must be submitted to the chairs of the House Appropriations Committee on Health and Human Services and the Senate Appropriations Committee on Health and Human Services and the Fiscal Research Division by February 1, 2017. (H.B. 1040/S.B. 800)

(S.L. 2016-123, Sec. 5.4, Measurability Assessments/Budget Tech. Corr., amends this section to clarify that the Division of Child Development and Early Education shall consult with the Department of Public Instruction in conducting the study of NC Pre-K.)

Section: 12B.5

Title: **STATE AGENCY COLLABORATION ON EARLY CHILDHOOD EDUCATION/TRANSITION FROM PRESCHOOL TO KINDERGARTEN**

Summary Requires the Department of Health and Human Services (DHHS), in consultation with the Department of Public Instruction (DPI) and other agencies that administer, support, or study early childhood education, to collaborate on an ongoing basis in the development and implementation of a statewide vision for early childhood education.

Subsection (b) requires the entities named in subsection (a) to report on their initial findings and recommendations to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on or before January 1, 2017, and to submit a follow up report to those same committees on or before January 1, 2018. The entities may make any subsequent reports, annually, on or before January 1, as needed to those same committees.

Subsection (c) requires DHHS and DPI to promote successful transition of children who receive NC Pre-K and Child Care subsidy services from prekindergarten to kindergarten by developing a transition plan.

Subsection (d) requires DHHS to report on the implementation of the transition plan required in subsection (c) to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on or before December 15, 2016.

Subsection (e) requires DHHS and DPI to develop and implement a standardized program to transition children from preschool to kindergarten and requires that a specific list of components be identified in the program.

Subsection (f) requires DHHS to report on the development of the standardized transition program to the Joint Legislative Oversight Committee on Health and Human Services and the Joint Legislative Education Oversight Committee on or before January 1, 2018. (H.B. 1026/S.B.740)

2016 Session: HB 805

Division: (3.0) Division of Child Development and Early Education

Section: 5.4

Title: **TECHNICAL CHANGE: CONSULT WITH DEPARTMENT OF PUBLIC INSTRUCTION ON NC PRE-K STUDY**

Summary Amends S.L. 2016-94, Sec. 12B.4(a), Appropriations Act of 2016, to require the Division of Child Development and Early Education to consult with the Department of Public Instruction in conducting the study of NC Pre-K.

**Division of Social Services
Budget Code 14440**

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$1,726,742,478
Receipts	\$1,541,209,215
Net Appropriation	\$185,533,263

Legislative Changes

Requirements	\$13,944,597
Receipts	(\$425,616)
Net Appropriation	\$14,370,213

Revised Budget

Requirements	\$1,740,687,075
Receipts	\$1,540,783,599
Net Appropriation	\$199,903,476

General Fund FTE

Enacted Budget	397.00
Legislative Changes	25.00
Revised Budget	422.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Division of Social Services		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14440		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	16,930,306	11,144,964	5,785,342	519,402	193,063	326,339	17,449,708	11,338,027	6,111,681
1160	Child Welfare Training	7,141,587	6,423,965	717,622	4,295,203	2,180,233	2,114,970	11,436,790	8,604,198	2,832,592
1261	Food and Nutrition Education	1,551,695	1,551,695	-	-	-	-	1,551,695	1,551,695	-
1331	Family Preservation and Support	28,987,793	27,754,963	1,232,830	8,317,544	-	8,317,544	37,305,337	27,754,963	9,550,374
1371	Child Support Enforcement	157,495,485	157,072,177	423,308	-	-	-	157,495,485	157,072,177	423,308
1372	Food and Nutrition Services	159,064,170	157,697,803	1,366,367	1,200,000	600,000	600,000	160,264,170	158,297,803	1,966,367
1373	LIEAP	70,131,491	70,126,491	5,000	-	-	-	70,131,491	70,126,491	5,000
1374	Refugee Medical Assistance	23,979	23,979	-	-	-	-	23,979	23,979	-
1375	TANF - Domestic Violence	12,822	12,822	-	-	-	-	12,822	12,822	-
1376	Medicaid Eligibility	250,342,078	248,711,322	1,630,756	-	-	-	250,342,078	248,711,322	1,630,756
1381	Refugee Cash and Social Services	4,883,149	4,883,147	2	-	-	-	4,883,149	4,883,147	2
1382	Employment Benefits - Work First Family Assistance	80,618,857	79,603,888	1,014,969	-	-	-	80,618,857	79,603,888	1,014,969
1383	Subsidized Child Care Administration	23,532,075	23,532,075	-	-	-	-	23,532,075	23,532,075	-
1384	Employment Benefits	26,721,961	26,718,961	3,000	300,000	-	300,000	27,021,961	26,718,961	303,000
1411	Case Management and Counseling	20,505,202	20,103,571	401,631	-	-	-	20,505,202	20,103,571	401,631
1430	Dx Child Home Support - Child Protective Services	181,898,844	161,261,852	20,636,992	568,761	237,715	331,046	182,467,605	161,499,567	20,968,038
1451	Adult Home Support - Community Based Services	37,471,882	35,358,737	2,113,145	-	-	-	37,471,882	35,358,737	2,113,145
1453	Adult Home Support - At Risk Case Management (Adult)	9,836,420	8,837,118	999,302	-	-	-	9,836,420	8,837,118	999,302
1481	ID Family Employment - Work First Employment Services	45,276,014	44,941,246	334,768	-	-	-	45,276,014	44,941,246	334,768
1482	ID Family Employment - Food Nutrition Employment/Training	2,309,149	2,285,630	23,519	-	-	-	2,309,149	2,285,630	23,519
1491	ID Family Emergency - Emergency Energy Assistance	40,158,732	40,158,732	-	-	-	-	40,158,732	40,158,732	-
1492	ID Family Emergency - Family Violence Prevention	2,099,624	2,098,858	766	-	-	-	2,099,624	2,098,858	766
1510	Protection and Adult Support - Protection and Guardianship	35,279,352	33,910,963	1,368,389	-	-	-	35,279,352	33,910,963	1,368,389
1531	OOH Child Support - Adoption	133,120,446	87,795,551	45,324,895	(1,333,333)	(333,333)	(1,000,000)	131,787,113	87,462,218	44,324,895
1532	OOH Child Support - Foster Care	229,450,827	185,672,176	43,778,651	371,461	166,096	205,365	229,822,288	185,838,272	43,984,016
1570	OOH Economic Support - State and County Special Assistance	122,340,010	63,970,003	58,370,007	(2,000,000)	(1,000,000)	(1,000,000)	120,340,010	62,970,003	57,370,007
1701	Local/County Operations	39,016,401	39,014,399	2,002	-	-	-	39,016,401	39,014,399	2,002
1900	Reserves and Transfers	30,817	30,817	-	7,600,000	3,750,000	3,850,000	7,630,817	3,780,817	3,850,000
1991	Federal Indirect Reserve	280,859	280,859	-	-	-	-	280,859	280,859	-
1992	Prior Year - Earned Revenue	230,451	230,451	-	-	-	-	230,451	230,451	-
Division-wide Items										
N/A	TANF Block Grants	-	-	-	772,128	772,128	-	772,128	772,128	-
N/A	SSBG Block Grant	-	-	-	(607,822)	(607,822)	-	(607,822)	(607,822)	-
N/A	LIHEAP Block Grant	-	-	-	(5,694,917)	(5,694,917)	-	(5,694,917)	(5,694,917)	-
N/A	CCDF Block Grant	-	-	-	1,217,632	1,217,632	-	1,217,632	1,217,632	-
N/A	CSBG Block Grant	-	-	-	(2,909,991)	(2,909,991)	-	(2,909,991)	(2,909,991)	-
N/A	TANF Cont Block Grant	-	-	-	1,003,580	1,003,580	-	1,003,580	1,003,580	-
N/A	Reserve for Compensation Increase	-	-	-	245,192	N/A	245,192	245,192	N/A	245,192
N/A	Reserve for Retirement Contributions	-	-	-	79,757	N/A	79,757	79,757	N/A	79,757
Total		\$1,726,742,478	\$1,541,209,215	\$185,533,263	\$13,944,597	(\$425,616)	\$14,370,213	\$1,740,687,075	\$1,540,783,599	\$199,903,476

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Division of Social Services					
Budget Code 14440		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	82.00	7.00	-	89.00
1160	Child Welfare Training	18.00	7.00	-	25.00
1261	Food and Nutrition Education	-	-	-	-
1331	Family Preservation and Support	6.00	-	-	6.00
1371	Child Support Enforcement	127.00	-	-	127.00
1372	Food and Nutrition Services	62.00	-	-	62.00
1373	LIEAP	-	-	-	-
1374	Refugee Medical Assistance	-	-	-	-
1375	TANF - Domestic Violence	-	-	-	-
1376	Medicaid Eligibility	-	-	-	-
1381	Refugee Cash and Social Services	4.00	-	-	4.00
1382	Employment Benefits - Work First Family Assistance	-	-	-	-
1383	Subsidized Child Care Administration	-	-	-	-
1384	Employment Benefits	10.00	-	-	10.00
1411	Case Management and Counseling	-	-	-	-
1430	Dx Child Home Support - Child Protective Services	27.00	7.00	-	34.00
1451	Adult Home Support - Community Based Services	-	-	-	-
1453	(Adult)	-	-	-	-
1481	Services	11.00	-	-	11.00
1482	Employment/Training	2.00	-	-	2.00
1491	Assistance	-	-	-	-
1492	ID Family Emergency - Family Violence Prevention	1.00	-	-	1.00
1510	Guardianship	-	-	-	-
1531	OOH Child Support - Adoption	14.00	-	-	14.00
1532	OOH Child Support - Foster Care	33.00	4.00	-	37.00
1570	Assistance	-	-	-	-
1701	Local/County Operations	-	-	-	-
1900	Reserves and Transfers	-	-	-	-
1991	Federal Indirect Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		397.00	25.00	-	422.00

Health and Human Services

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$185,533,263

Legislative Changes

(4.0) Division of Social Services

24 Compensation Increase Reserve	\$183,894	R
Fund Code: N/A	\$61,298	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S. L. 2016-94, Secs. 36.1A, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

25 State Retirement Contributions	\$31,903	R
Fund Code: N/A	\$47,854	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

26 State-County Special Assistance Caseload Adjustment	(\$1,000,000)	R
Fund Code: 1570		

Reduces State-County Special Assistance due to a decline in the number of individuals participating in the program. The revised net appropriation for State-County Special Assistance for FY 2016-17 is \$57.4 million.

27 Adoption Assistance	(\$1,000,000)	R
Fund Code: 1531		

Adjusts the Adoption Assistance budget based on projected enrollment. The revised net appropriation for Adoption Services is \$44.3 million.

28 County Child Welfare Services Oversight and Accountability \$691,965 R
Fund Code: 1160, 1430, 1532 \$11,614 NR
15.00

Provides funding to enhance the State's capacity to ensure a competent and well-trained county-based child welfare workforce by increasing the availability of localized, mobile training tailored to specific needs. Additional positions are authorized to provide technical assistance to counties in the development and implementation of their performance improvement plan, track and measure these improvements, and quantify county outcomes to ensure consistency across counties. The positions will also develop a statewide recruitment plan for foster care parents and work to improve the foster care licensing process. The revised net appropriation from all actions in this report for Fund 1160, Child Welfare Training, is \$2.8 million. The revised net appropriation from all actions in this report for Fund 1430, Child Home Support - Child Protective Services is \$21 million. The revised net appropriation for Fund 1532, Child Support - Foster Care is \$43.8 million. (H.B. 1140/S.B. 885, S.B. 785; S.L. 2016-94, Sec. 12C.1)

29 Child Welfare Program Improvement Plan \$167,083 R
Fund Code: 1110, 1160, 1331 \$8,372,917 NR
3.00

Provides additional resources to implement the Program Improvement Plan as a result of the recent Child and Family Services Review (CFSR). The plan will establish professional development opportunities and ongoing specific training regarding child welfare issues. Training for supervisors and leaders who support the field social workers will be provided. Additionally, 3 positions are provided to analyze program performance data. In-Home services are expanded to support children's safety while keeping families together and reducing the likelihood of children entering into foster care. The revised net appropriation from all actions in this report for Fund 1110, Service Support is \$6.1 million. The revised net appropriation from all actions in this report for Fund 1160, Child Welfare Training, is \$2.8 million. The revised net appropriation for Fund 1331, Family Preservation and Support is \$9.6 million. (H.B. 1140/S.B. 885, S.B. 785; S.L. 2016-94, Sec. 12C.1)

30 Child Welfare Native American Services \$60,000 NR
Fund Code: 1331

Provides funding for the establishment of a grant program for which North Carolina State-recognized tribes may apply. The grants is to assist in recruiting foster parents, increasing the number of foster homes for children who are members of a North Carolina State-recognized tribe, and providing training for staff of county departments of social services to ensure culturally appropriate services for children who are members of a North Carolina State-recognized tribe. The revised net appropriation for Fund 1331, Family Preservation and Support is \$9.6 million. (S.L. 2016-94, Sec. 12C.1)

31 Child Fatality Reviews \$59,150 R
Fund Code: 1430 \$750 NR
3.00

Funds 3 additional positions to ensure timely review of child fatalities in accordance with G.S.143B-150.20. These positions will also develop the system capacity to effectively utilize the results and implement the recommendations as a result of the reviews. The revised net appropriation from all actions in this report for Fund 1430, Child Home Support- Child Protective Services is \$21 million. (H.B. 1140/S.B. 885)

- | | | |
|--|------------------------------|-----------|
| <p>32 Child Advocacy Centers
 Fund Code: 1331</p> <p>Provides funding for Child Advocacy Centers to bring their funding for FY 2016-17 to their FY 2015-16 funding level. The revised net appropriation for Child Advocacy Centers is \$793,000.</p> | <p>\$400,000</p> | <p>R</p> |
| <p>33 Temporary Assistance for Facilities that Serve Special Assistance Recipient
 Fund Code: 1900</p> <p>Provides funding, effective October 1, 2016, on a temporary basis for facilities that serve recipients of Special Assistance. Total funding is \$7.5 million with 50% of the funding provided by the appropriate county. The net revised appropriation for temporary assistance for facilities that serve Special Assistance recipients is \$3.8 million. (S.L. 2016-94, 12C.7)</p> | <p>\$3,750,000</p> | <p>NR</p> |
| <p>34 Food and Nutrition Services Outreach for Medicaid/Medicare Dual Eligibles
 Fund Code: 1372</p> <p>Provides funds for the Department to establish a pilot program to increase access to Food and Nutrition Services benefits for individuals who are dually eligible for Medicare and Medicaid through outreach and assistance with completion of the Food and Nutrition Services applications. The total requirements for the Food and Nutrition Services Outreach Pilot program are \$1.2 million and the revised net appropriation is \$600,000. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12C.3)</p> | <p>\$600,000</p> | <p>NR</p> |
| <p>35 Eckerd Kids and Caring for Children’s Angels Watch Program
 Fund Code: 1331</p> <p>Expands Angels Watch to additional counties, a foster care program for children who are age 0-6 (with siblings up to age 10) who are not in the custody of the Department of Social Services and whose families are temporarily unable to care for them because of a crisis. Children are placed in licensed Angel Care foster homes for up to 90 days while the family attempts to resolve the issues that keep them from safely caring for their children. Parents are provided mentoring and links to community resources by program managers and foster parents. The revised net appropriation for Angels Watch is \$1.1 million. (S.L. 2016-94, Sec. 12C.6)</p> | <p>\$1,100,000</p> | <p>NR</p> |
| <p>36 County Department of Social Services Improve Medicaid Timeliness
 Fund Code: 1110</p> <p>Provides funding for 4 Human Services Evaluator/Planner positions to assist county department of social services offices in using the Client Services Data Warehouse (CSDW) to analyze NC FAST eligibility data for Medicaid and other economic services programs. These staff will develop internal queries and reports to assist DHHS with monitoring county DSS office performance, and provide CSDW training to county DSS offices and develop NC FAST or other data queries for use by the counties. The revised net appropriation from all actions in this report for Fund 1110 Service Support is \$6.1 million. (H.B. 1087/S.B.841; S.L. 2016-94, Sec 12H.17)</p> | <p>\$156,785</p> <p>4.00</p> | <p>R</p> |

37 Supportive Employment Opportunities

Fund Code: 1384 \$300,000 NR

Establishes a grant to Marketing Association for Rehabilitation Centers (MARC), Inc., to provide funding for staffing and positions to focus on business development leadership and technical support for advanced manufacturing. New job opportunities will be created for people who are chronically unemployed. The revised net appropriation for a job creation grant to MARC Inc. is \$300,000.

38 Boys and Girls Clubs

Fund Code: 1331 \$125,000 NR

Provides funds to support the following Boys and Girls Clubs:

- Central Asheboro Boys and Girls Club \$25,000
- Community Boys and Girls Club of Wilmington \$50,000
- The Salvation Army Boys and Girls Club in Burlington \$50,000

The revised net appropriation for Boys and Girls Clubs is \$2.6 million.

39 South Davidson Family Resource Center

Fund Code: 1900 \$100,000 NR

Provides funding to the South Davidson Family Resource Center. The Center provides services and resources to the disadvantaged population and families in crisis in southern Davidson County. The revised net appropriation for the South Davidson Family Resource Center is \$100,000.

40 Children's Homes

Fund Code: 1532 \$150,000 NR

Provides funding to the following Children's Homes:

- American Children's Home, Lexington \$50,000
- Mills Home in Thomasville \$100,000

The revised net appropriation for this action is \$150,000.

41 Temporary Assistance for Needy Families Block Grant

Fund Code: N/A

Budgets additional Temporary Assistance for Needy Families (TANF) block grant federal receipts in the amount of \$772,128. The revised TANF block grant federal receipts for the Division are \$164.8 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

42 TANF Contingency Block Grant

Fund Code: N/A

Budgets TANF Contingency block grant federal receipts in the amount of \$1,003,580. The revised TANF Contingency block grant federal receipts for the Division are \$1 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

43 Social Services Block Grant

Fund Code: N/A

Reduces Social Services block grant (SSBG) federal receipts in the amount of \$607,822. The revised SSBG block grant federal receipts for the Division are \$31.7 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

44 Low Income Energy Assistance Program

Fund Code: N/A

Reduces Low Income Energy Assistance Program (LIEAP) federal receipts in the amount of \$5,694,917. The revised LIEAP block grant federal receipts for the Division are \$98.6 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

45 Child Care Development Fund Block Grant

Fund Code: N/A

Budgets additional CCDF federal receipts in the amount of \$1,217,632. The revised CCDF block grant federal receipts for the Division are \$17.1 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

46 Community Services Block Grant

Fund Code: N/A

Reduces the Community Services Block Grant (CSBG) federal receipts in the amount of \$2,909,991. The revised CSBG block grant federal receipts for the Division are \$23.8 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

Total Legislative Changes	(\$309,220)	R
	\$14,679,433	NR
Total Position Changes		25.00
Revised Budget	\$199,903,476	

Special Provisions

2016 Session: HB 1030

Division: (4.0) Division of Social Services

Section: 12C.1

Title: **CHILD WELFARE SYSTEM CHANGES**

Summary Directs the Division of Social Services (DSS) to implement the federal Program Improvement Plan to bring North Carolina into compliance with national standards on child welfare policy and practices. DSS must submit a progress report to the Joint Legislative Oversight Committee on Health and Human Services semiannually on February 1 and August 1 of each year until the plan is fully implemented. The first report is due August 1, 2016, and the final report is due February 1, 2019.

Subsection (b) directs DSS to develop a statewide strategic plan that complements the federal Program Improvement Plan and addresses, at a minimum, findings from the State Child Protective Services evaluation. DSS must submit the plan to the Joint Legislative Oversight Committee on Health and Human Services by December 1, 2016.

Subsection (c) directs DSS to continue toward completion of the Child Protective Services (CPS) component of NC FAST, with the General Assembly's intent of having the CPS component operational by December 31, 2017. DSS must submit a report on development, implementation and outcomes to the Joint Legislative Oversight Committee on Health and Human Services quarterly beginning October 1, 2016, through February 1, 2018.

Subsection (d) amends G.S. 7B-101(3) to include under the definition of caretaker who is responsible for the health and welfare of a juvenile, a potential adoptive parent during a visit or trial placement with a juvenile in the custody of the local county department of social services.

Subsection (e) amends G.S. 7B-302 (a1)(1) to allow private child placing or adoption agencies licensed by DHHS to be able to receive information otherwise deemed confidential in order to protect a juvenile from abuse or neglect.

Subsection (f) amends G.S. 7B-401.1(h) to remove caretaker from the list of parties that may intervene in an abuse, neglect, or dependency proceeding.

Subsection (f1) amends G.S. 7B-505.1(c) to correct the reference from obtaining "consent" to obtaining "authorization" from a juvenile's parents, guardian, or custodian regarding all medical care and treatment for a juvenile.

Subsection (g) amends G.S. 7B-901(c), to require at the initial dispositional hearing, the court to conclude by compelling evidence that continuation of reunification efforts are warranted in certain circumstances.

Subsection (g1) amends G.S. 7B-906.1(d)93) to use more accurate procedural terms.

Subsection (h) amends G.S. 7B-906.2 to require that concurrent planning continues until a permanent plan has been achieved. (H.B. 1140/S.B. 885, S.B. 785)

Section: 12C.2

Title: **REVISE REPORT DATE/EBCI ASSUMPTION OF SERVICES**

Summary Amends Section 12C.10 of S.L. 2015-241, 2015 Appropriations Act, to require that when an Advance Planning Document Update (APDU) is required, the Department of Health and Human Services must submit an APDU within 30 days after approval of the State Plan amendment by the Centers for Medicare and Medicaid Services.

This provision amends the effective date of when the Eastern Band of Cherokee Indians may assume responsibility for certain services from October 1, 2016 to April 1, 2017. (H.B. 1140/S.B. 885)

Section: 12C.3

Title: **PILOT PROGRAM/INCREASE ACCESS TO PUBLIC BENEFITS FOR OLDER DUAL ELIGIBLE SENIORS**

Summary Directs DSS to establish a pilot program to increase access to the Supplemental Nutrition Assistance Program for seniors aged 65 and older who are enrolled in Medicare and Medicaid. DSS is required to partner with a not-for-profit organization to provide these services.

Subsection (b) requires DSS to report on specific criteria by February 1 following each year the program is in place to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division.

Subsection (c) allows DSS to expand the pilot to other public benefits programs if funding and capacity exist. (H.B. 1140/S.B. 885)

Section: 12C.5

Title: **UPDATE DATES/TANF BENEFIT IMPLEMENTATION PLAN**

Summary Amends Section 12C.1 of S.L. 2015-241, 2015 Appropriations Act, to set an expiration date of September 30, 2016 for that section.

The section also approves the Temporary Assistance for Needy Families (TANF) 2016-2019 State plan, and designates the Electing Counties for fiscal years 2016-19.

Section: 12C.6

Title: **REPORTING REQUIREMENTS/ECKERD KIDS AND CARING FOR CHILDREN'S ANGEL WATCH PROGRAM**

Summary Requires DSS to report on the use of funds provided in the budget for expansion of the Eckerd Kids and Caring for Children's Angel Watch program pursuant to the list of items to be included in the report.

Subsection (b) requires an interim report to the House of Representatives Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division by March 1, 2017, and a final report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division by September 1, 2017.

Section: 12C.7

Title: **TEMPORARY FINANCIAL ASSISTANCE FOR FACILITIES LICENSED TO ACCEPT STATE-COUNTY SPECIAL ASSISTANCE PAYMENTS**

Summary Provides temporary financial assistance for facilities licensed to accept State-County Special Assistance (SA) payments.

Subsections (a) through (d) provide temporary financial assistance of \$34 per month per resident for facilities licensed to accept SA payments for the period beginning October 1, 2016, and ending June 30, 2017. Counties are required to pay 50% of payment costs. Payments must terminate upon the earlier of June 30, 2017, or upon depletion of State and county funds allocated for this purpose.

Subsection (e) requires the Division of Social Services to report to House Appropriations Committee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Health and Human Services, and the Fiscal Research Division a detailed plan for a long-term solution to ensure adequate reimbursement to facilities for serving SA recipients without increasing the Medicaid eligibility income limit for SA recipients and thereby expanding Medicaid.

Subsection (f) provides that nothing in this section shall be construed as an obligation by the General Assembly to appropriate funds for the purpose of this section, or as an entitlement for any facility or resident of a facility.

(S.L. 2016-123, Sec. 5.3, Measurability Assessments/Budget Tech. Corr., amends this section to revise the entity responsible for the report in Subsection (e) from the Division of Social Services to the Department of Health and Human Services.)

2016 Session: HB 805

Division: (4.0) Division of Social Services

Section: 5.3

Title: **TECHNICAL CHANGE: REPORTING AGENCY CORRECTION**

Summary Amends S.L. 2016-94, Sec. 12C.7.(e), 2016 Appropriations Act, to revise the agency responsible for reporting from the Division of Social Services to the Department of Health and Human Services.

**Public Health
Budget Code 14430**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$837,742,111
Receipts	\$689,443,683
Net Appropriation	\$148,298,428
Legislative Changes	
Requirements	\$21,485,001
Receipts	\$1,846,775
Net Appropriation	\$19,638,226
Revised Budget	
Requirements	\$859,227,112
Receipts	\$691,290,458
Net Appropriation	\$167,936,654

General Fund FTE

Enacted Budget	1,916.11
Legislative Changes	5.00
Revised Budget	1,921.11

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Public Health		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14430		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1110	Service Support	18,905,855	9,907,433	8,998,422	-	-	-	18,905,855	9,907,433	8,998,422
1151	Forensic Tests for Alcohol	3,363,551	3,362,183	1,368	-	-	-	3,363,551	3,362,183	1,368
1152	Asbestos and Lead-based Paint - Hazard Mgmt	1,945,190	1,684,452	260,738	-	-	-	1,945,190	1,684,452	260,738
1153	Environmental Health Regulation	7,728,522	4,460,559	3,267,963	177,500	-	177,500	7,906,022	4,460,559	3,445,463
1161	Public Health - Capacity Building	14,733,037	1,692,635	13,040,402	14,850,000	-	14,850,000	29,583,037	1,692,635	27,890,402
1171	State Center for Health Statistics	5,388,639	2,603,972	2,784,667	-	-	-	5,388,639	2,603,972	2,784,667
1172	Office of Chief Medical Examiner	15,626,668	2,698,676	12,927,992	-	-	-	15,626,668	2,698,676	12,927,992
1173	Vital Records	5,847,760	3,405,752	2,442,008	-	-	-	5,847,760	3,405,752	2,442,008
1174	Public Health - Lab	24,116,316	20,743,824	3,372,492	2,511,130	1,400,000	1,111,130	26,627,446	22,143,824	4,483,622
1175	Public Health - Surveillance	8,997,387	7,029,506	1,967,881	188,870	-	188,870	9,186,257	7,029,506	2,156,751
1261	Public Health - Promotion	10,045,042	9,034,861	1,010,181	-	-	-	10,045,042	9,034,861	1,010,181
1262	Health Disparities	3,299,576	155,468	3,144,108	-	-	-	3,299,576	155,468	3,144,108
1264	Public Health - Preparedness and Response	10,606,362	8,497,854	2,108,508	-	-	-	10,606,362	8,497,854	2,108,508
126C	Access Outreach - Chronic Disease	2,358,947	1,520,126	838,821	100,000	-	100,000	2,458,947	1,520,126	938,821
1271	Children and Adult Health Prevention	28,192,906	19,123,767	9,069,139	305,825	305,825	-	28,498,731	19,429,592	9,069,139
1272	Child and Adult Nutrition Services	98,416,088	98,415,781	307	-	-	-	98,416,088	98,415,781	307
1273	Race to the Top - Early Learning Challenge	2,458,334	2,458,334	-	-	-	-	2,458,334	2,458,334	-
1311	HIV/STD Prevention Activities	19,601,354	15,552,678	4,048,676	-	-	-	19,601,354	15,552,678	4,048,676
1312	Medical Evaluation and Risk Assessment	1,143,785	554,356	589,429	-	-	-	1,143,785	554,356	589,429
1313	Wisewoman	1,137,191	1,137,191	-	-	-	-	1,137,191	1,137,191	-
1320	Breast and Cervical Cancer Control	4,756,984	3,149,626	1,607,358	-	-	-	4,756,984	3,149,626	1,607,358
1331	Immunization	8,535,912	7,403,221	1,132,691	-	-	-	8,535,912	7,403,221	1,132,691
1332	Children's Health Services	26,263,397	8,160,793	18,102,604	-	-	-	26,263,397	8,160,793	18,102,604
1370	Refugee Health Assessment	373,718	373,718	-	-	-	-	373,718	373,718	-
13A1	Maternal and Infant Health	53,799,323	41,358,120	12,441,203	791,772	41,772	750,000	54,591,095	41,399,892	13,191,203
13A2	Women, Infants and Children (WIC)	296,330,121	295,972,660	357,461	-	-	-	296,330,121	295,972,660	357,461
13B0	Oral Health Preventive Services	4,540,573	1,508,658	3,031,915	-	-	-	4,540,573	1,508,658	3,031,915
1421	Sickle Cell Adult Treatment	1,594,827	545,678	1,049,149	-	-	-	1,594,827	545,678	1,049,149
1441	Early Intervention	67,563,697	46,446,740	21,116,957	-	(1,250,000)	1,250,000	67,563,697	45,196,740	22,366,957
1460	Communicable Disease (HIV/AIDS and TB)	77,403,768	60,423,621	16,980,147	-	-	-	77,403,768	60,423,621	16,980,147
14A0	Sickle Cell Support - Children	2,949,658	343,817	2,605,841	-	-	-	2,949,658	343,817	2,605,841
1910	Reserves and Transfers	-	-	-	-	-	-	-	-	-
1991	Federal Indirect Reserve	2,280,159	2,280,159	-	-	-	-	2,280,159	2,280,159	-
1992	Prior Year - Earned Revenue	7,437,464	7,437,464	-	-	-	-	7,437,464	7,437,464	-
Division-wide Items										
N/A	Preventative Health Block Grant	-	-	-	44,477	44,477	-	44,477	44,477	-
N/A	Substance Abuse Block Grant	-	-	-	658,156	658,156	-	658,156	658,156	-
N/A	Maternal Health Block Grant	-	-	-	646,545	646,545	-	646,545	646,545	-
N/A	Reserve for Compensation Increase	-	-	-	913,561	N/A	913,561	913,561	N/A	913,561
N/A	Reserve for Retirement Contributions	-	-	-	297,165	N/A	297,165	297,165	N/A	297,165
Total		\$837,742,111	\$689,443,683	\$148,298,428	\$21,485,001	\$1,846,775	\$19,638,226	\$859,227,112	\$691,290,458	\$167,936,654

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Public Health					
Budget Code 14430		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	124.00	-	-	124.00
1151	Forensic Tests for Alcohol	29.00	-	-	29.00
1152	Asbestos and Lead-based Paint - Hazard Mgmt	23.00	-	-	23.00
1153	Environmental Health Regulation	57.00	-	-	57.00
1161	Public Health - Capacity Building	27.00	-	-	27.00
1171	State Center for Health Statistics	56.50	-	-	56.50
1172	Office of Chief Medical Examiner	52.50	-	-	52.50
1173	Vital Records	71.00	-	-	71.00
1174	Public Health - Lab	219.00	1.00	-	220.00
1175	Public Health - Surveillance	33.00	2.00	-	35.00
1261	Public Health - Promotion	14.00	-	-	14.00
1262	Health Disparities	5.50	-	-	5.50
1264	Public Health - Preparedness and Response	36.00	-	-	36.00
126C	Access Outreach - Chronic Disease	14.90	-	-	14.90
1271	Children and Adult Health Prevention	55.75	-	1.00	56.75
1272	Child and Adult Nutrition Services	27.00	-	-	27.00
1273	Race to the Top - Early Learning Challenge	-	-	-	-
1311	HIV/STD Prevention Activities	117.00	-	-	117.00
1312	Medical Evaluation and Risk Assessment	11.00	-	-	11.00
1313	Wisewoman	5.01	-	-	5.01
1320	Breast and Cervical Cancer Control	10.01	-	-	10.01
1331	Immunization	50.00	-	-	50.00
1332	Children's Health Services	35.87	-	-	35.87
1370	Refugee Health Assessment	1.00	-	-	1.00
13A1	Maternal and Infant Health	38.00	-	1.00	39.00
13A2	Women, Infants and Children (WIC)	44.00	-	-	44.00
13B0	Oral Health Preventive Services	36.00	-	-	36.00
1421	Sickle Cell Adult Treatment	3.00	-	-	3.00
1441	Early Intervention	669.08	-	-	669.08
1460	Communicable Disease (HIV/AIDS and TB)	42.00	-	-	42.00
14A0	Sickle Cell Support - Children	9.00	-	-	9.00
1910	Reserves and Transfers	-	-	-	-
1991	Federal Indirect Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		1,916.11	3.00	2.00	1,921.11

Health and Human Services

GENERAL FUND

FY 16-17
\$148,298,428

Total Budget Enacted 2015 Session

Legislative Changes

(5.0) Division of Public Health

47 Compensation Increase Reserve	\$685,171	R
Fund Code: N/A	\$228,390	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1A, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

48 State Retirement Contributions	\$118,866	R
Fund Code: N/A	\$178,299	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

49 Quitline Receipts		
Fund Code: 1271	(\$250,000)	NR

Reduces funding for the Quitline, a smoking cessation intervention. The revised net appropriation for Children and Adult Health Prevention is \$8.1 million.

50 State Public Health Laboratory	\$1,000,000	R
Fund Code: 1174		

Provides funds to the State Public Health Laboratory to partially offset increased newborn screening costs and decreased Medicaid receipts. The revised net appropriation from all actions in this report for the State Public Health Laboratory is \$4.3 million. (H.B. 1140/S.B. 885)

51 Newborn Screening Fees

Fund Code: 1174

Budgets increased requirements and receipts associated with newborn screening tests performed by the State Public Health Laboratory. New requirements increased the screening cost from \$19 to \$44 per infant. The newborn screening fee increases from \$24 to \$44, generating \$2.4 million to offset those increased costs. The revised net appropriation from all actions in this report for the State Public Health Laboratory is \$4.3 million. (S.L. 2016-94, Sec. 12E.5)

52 Children's Developmental Services Agencies (CDSAs)

Fund Code: 1441

\$1,250,000 NR

Provides funds to the CDSAs to partially offset the anticipated decrease in FY 2016-17 Medicaid receipts. The revised net appropriation for the CDSAs is \$23.6 million. (H.B. 1140/S.B. 885)

53 Local Health Departments

Fund Code: 1161

\$14,800,000 NR

Provides funds to support local health departments and minimize the impact of reduced Medicaid reimbursement rates on the delivery of direct patient services. The revised net appropriation from all actions in this report for Fund 1161 Public Health Capacity Building is \$27.9 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12E.6)

54 Public Health Alliance of Cabarrus County

Fund Code: 1161

\$50,000 NR

Provides funds for the Public Health Alliance of Cabarrus County. The revised net appropriation from all actions in this report for Fund Code 1161 Public Health Capacity Building is \$27.9 million.

(S.L. 2016-123, Sec. 5.6, Measurability Assessment/Budget Tech. Corr., amends this item to correct the name to Public Health Authority of Cabarrus County.)

55 Nurse Family Partnership Program

Fund Code: 13A1

\$400,000 NR

Provides funds to expand the Nurse Family Partnership Program home visiting services in the State. The revised net appropriation from all actions in this report for the Maternal and Infant Health Section is \$9.7 million.

56 Zika Prevention and Detection

Fund Code: 1153, 1174, 1175

\$477,500 R

Provides funds to develop an infrastructure to detect, prevent, control and respond to the Zika virus and other vector-borne illnesses. The Division of Public Health (DPH) will use the funds to establish 3 positions and to provide \$177,500 in aid to counties statewide. The revised net appropriation for the Zika infrastructure is \$477,500. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12E.4)

3.00

57 You Quit Two Quit Smoking Cessation Program

Fund Code: 1271 \$250,000 NR

Provides funds for You Quit Two Quit, a smoking prevention and cessation program for pregnant and postpartum women and mothers. The revised net appropriation for Children and Adult Health Prevention is \$8.3 million.

58 Best Start Program

Fund Code: 13A1 \$250,000 NR

Provides funds for Union County Public Schools to support and enhance the Best Start Program. All funds for this purpose shall be disbursed prior to June 30, 2017. The revised net appropriation for the Best Start Program is \$250,000.

59 Salem Pregnancy Care Center

Fund Code: 13A1 \$50,000 NR

Provides funds for the Salem Pregnancy Care Center located in Winston-Salem. The revised net appropriation from all actions in this report for the Maternal and Infant Health Section is \$9.7 million.

60 New Hope Pregnancy Center

Fund Code: 13A1 \$50,000 NR

Provides funds for the New Hope Pregnancy Center located in Yadkinville. The revised net appropriation from all actions in this report for the Maternal and Infant Health Section is \$9.7 million.

61 Ocular Melanoma Grant

Fund Code: 126C \$100,000 NR

Provides funds to the City of Huntersville to address the ocular melanoma cluster. The revised net appropriation for Fund Code 126C Access - Out Reach Chronic Disease is \$938,821.

62 Infant Mortality

Fund Code: 1271, 13A1

Establishes 2 receipt-supported positions to support efforts to reduce infant mortality. This action has no impact on the net appropriation for maternal and infant health activities. The combined net appropriation for Fund Codes 1271 and 13A1 is \$21.5 million.

Fund 1271: Epidemiologist, PG 73 \$75,000
 Fund 13A1: PH Program Manager, PG 76 \$55,000

(H.B. 1140/S.B. 885)

63 Preventive Health Services Block Grant

Fund Code: N/A

Budgets additional federal Preventative Health Services Block Grant (PHSBG) receipts in the amount of \$44,477. The revised federal PHSBG receipts for DPH are \$5.0 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

64 Maternal and Child Health Block Grant

Fund Code: N/A

Budgets additional federal Maternal and Child Health Block Grant (MCHBG) receipts in the amount of \$646,545. The revised federal MCHBG receipts for DPH are \$18.6 million. (H.B. 1145/S.B. 885; S.L. 2016-94, Sec. 12K.1)

Total Legislative Changes	\$2,281,537	R
	\$17,356,689	NR
Total Position Changes		3.00
Revised Budget	\$167,936,654	

Special Provisions

2016 Session: HB 1030

Division: (5.0) Division of Public Health

Section: 12E.1

Title: USE OF AIDS DRUG ASSISTANCE PROGRAM (ADAP) FUNDS TO PURCHASE HEALTH INSURANCE

Summary Directs the Department of Health and Human Services (DHHS) to create within ADAP a health insurance premium assistance program that uses federal Ryan White and ADAP funds to pay for private health insurance coverage, including premiums, co-payments, and deductibles for eligible program participants.

Subsection (b) requires DHHS to submit a report by March 1, 2017 to the House Appropriations Committee on Health and Human Services, the Senate Appropriations Committees on Health and Human Services, and the Fiscal Research Division on the operation of the program, including any obstacles to implementation.

Section: 12E.2

Title: HEALTHY OUT-OF-SCHOOL TIME (HOST) RECOGNITION PROGRAM

Summary Establishes the HOST Program to be administered by the Division of Public Health (DPH) in collaboration with the NC Center for Afterschool Programs.

Subsection (b) establishes program definitions.

Subsection (c) directs DPH to develop and administer a web-based process for out-of-school programs to gain recognition as a program that meets the National Institute on Out-of-School Time Healthy Eating and Physical Activity (HEPA) standards.

Subsection (d) directs DPH to provide a certificate to out-of-school time programs that demonstrate they meet the HEPA standards.

Subsection (e) directs that the certificates shall be valid for one calendar year and that programs must continue to meet HOST criteria to receive a new certificate.

Subsection (f) directs DPH to maintain and update a list of qualified out-of-school programs that meet HOST criteria and to post the list online.

Subsection (g) directs that this section is subject to the availability of funds for this purpose.

(S.L. 2016-123, Sec. 5.10, Measurability Assessments/Budget Tech. Corr., amends Sec. 12E.2 to repeal subsection (g).)

Section: 12E.3

Title: **FUNDING FOR THE ELIMINATION OF HEALTH DISPARITIES**

Summary Directs that the Office of Minority Health (OMH) shall not award any new Community-Focused Eliminating Health Disparities Initiative grants after June 30, 2016.

Subsection (b) directs OMH to terminate all existing Community-Focused Eliminating Health Disparities Initiative (CFEHDI) grants by September 30, 2016.

Subsection (c) repeals S.L. 2015-241, Sec. 12E.3, the CFEHDI authorizing language, effective October 1, 2016.

Subsection (d) directs OMH to use FY 2016-17 program funds to establish and implement, in consultation with the Chronic Disease and Injury Prevention Section, an evidence-based diabetes program targeting minority populations.

Section: 12E.4

Title: **VECTOR SURVEILLANCE PROGRAM**

Summary Defines the term “vector” in subsection (a).

Subsection (b) directs the Division of Public Health to establish and administer a vector surveillance program to protect the public health.

Subsection (c) authorizes the Commission for Public Health to adopt rules necessary to implement the vector surveillance program. (H.B. 1140/S.B. 885)

Section: 12E.5

Title: **INCREASED FEE FOR NEWBORN SCREENING PROGRAM**

Summary Revises G.S. 130A-125(c) to increase the newborn screening fee from \$24 to \$44. The increased fee applies to newborn screening tests performed when S.L. 2016-94 became law.

Section: 12E.6

Title: **ALLOCATION OF FUNDS FOR SHORTFALLS IN LOCAL HEALTH DEPARTMENTS**

Summary Directs, in subsection (a), DPH to allocate funding to local health departments subjected to reduced Medicaid rates, in a manner that minimizes the impact on direct service delivery.

Subsection (b) requires DPH to report by February 1, 2017 to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on a proposal for resolving local health department funding shortfalls attributed to Medicaid rate adjustments. (H.B. 1140/S.B. 885)

2016 Session: HB 805

Division: (5.0) Division of Public Health

Section: 5.6

Title: **TECHNICAL CORRECTION: PUBLIC HEALTH AUTHORITY OF CABARRUS COUNTY**

Summary Corrects a reference in the Conference Committee Report to direct that the \$50,000 appropriated for the Public Health Alliance of Cabarrus County is to be provided to the Public Health Authority of Cabarrus County.

Section: 5.8

Title: **TECHNICAL CORRECTION: EARLY INTERVENTION SERVICES**

Summary Amends G.S. 143B-139.6A to direct the early intervention system to add the Governor Morehead School for the Blind, the Eastern North Carolina School for the Deaf, and the North Carolina School for the Deaf as agencies included on any permission-to-release form provided to parents for contact regarding services.

Section: 5.10

Title: **TECHNICAL CORRECTION: HOST PROGRAM**

Summary Amends S.L. 2016-94, Sec. 12E.2, 2016 Appropriations Act, to repeal subsection (g) which directed that implementation of the Healthy-Out-of-School Time Program is subject to the availability of funds for that purpose.

**Mental Health/Developmental Disabilities/Substance Abuse Services
Budget Code 14460**

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$1,266,437,595
Receipts	\$728,576,287
<hr/> Net Appropriation	<hr/> \$537,861,308

Legislative Changes

Requirements	\$24,532,762
Receipts	(\$641,054)
<hr/> Net Appropriation	<hr/> \$25,173,816

Revised Budget

Requirements	\$1,290,970,357
Receipts	\$727,935,233
<hr/> Net Appropriation	<hr/> \$563,035,124

General Fund FTE

Enacted Budget	11,330.58
Legislative Changes	0.00
<hr/> Revised Budget	<hr/> 11,330.58

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Mental Health/Developmental Disabilities/Substance Abuse Services		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14460		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1110	Service Support	24,160,243	10,248,243	13,912,000	1,628,400	-	1,628,400	25,788,643	10,248,243	15,540,400
1160	MH/DD/SA Workforce Development	1,373,541	1,308,196	65,345	-	-	-	1,373,541	1,308,196	65,345
1262	Enforce Underage Drinking Laws	598,099	598,099	-	-	-	-	598,099	598,099	-
1271	General SA Prevention - Quality Improvement	8,099,502	8,099,502	-	-	-	-	8,099,502	8,099,502	-
1332	Targeted Substance Abuse Prevention	362,809	362,809	-	-	-	-	362,809	362,809	-
1422	Community Services - Single Stream Funding	217,703,924	-	217,703,924	-	-	-	217,703,924	-	217,703,924
1442	Community Substance Abuse Services - Child	5,741,428	5,741,428	-	-	-	-	5,741,428	5,741,428	-
1443	Community Services - Riddle Center - FIPP	1,850,684	1,846,176	4,508	-	-	-	1,850,684	1,846,176	4,508
1444	Community Mental Health Services - Child	6,661,091	4,314,734	2,346,357	-	-	-	6,661,091	4,314,734	2,346,357
1445	Community Developmental Disability Services - Child	205,034	-	205,034	-	-	-	205,034	-	205,034
1451	Community Services - Traumatic Brain Injury	570,420	211,202	359,218	-	-	-	570,420	211,202	359,218
1452	Path Homelessness	1,134,000	1,134,000	-	-	-	-	1,134,000	1,134,000	-
1461	Community Mental Health Services - Adult	13,643,207	13,279,515	363,692	-	-	-	13,643,207	13,279,515	363,692
1462	Community Developmental Disability Services - Adult	2,232,173	1,461,980	770,193	-	-	-	2,232,173	1,461,980	770,193
1463	Community Substance Abuse Services - Adult	36,428,966	33,897,176	2,531,790	-	-	-	36,428,966	33,897,176	2,531,790
1464	Community Crisis Services	40,585,394	-	40,585,394	-	-	-	40,585,394	-	40,585,394
1541	Broughton Hospital - Child	4,930,691	373,361	4,557,330	-	-	-	4,930,691	373,361	4,557,330
1542	Cherry Hospital - Child	3,783,839	401,922	3,381,917	-	-	-	3,783,839	401,922	3,381,917
1543	Central Regional Hospital - Child	13,489,097	2,094,356	11,394,741	-	-	-	13,489,097	2,094,356	11,394,741
1545	Murdoch Developmental Center - Child	7,870,101	7,865,189	4,912	-	-	-	7,870,101	7,865,189	4,912
1546	Wright School - Child	2,843,237	14,078	2,829,159	-	-	-	2,843,237	14,078	2,829,159
1561	Broughton Hospital - Adult	126,582,055	66,503,678	60,078,377	500,000	-	500,000	127,082,055	66,503,678	60,578,377
1562	Cherry Hospital - Adult	137,565,329	64,334,960	73,230,369	(4,235,495)	(1,235,495)	(3,000,000)	133,329,834	63,099,465	70,230,369
1563	Central Regional Hospital - Adult	208,284,481	114,754,445	93,530,036	-	-	-	208,284,481	114,754,445	93,530,036
1565	Caswell Developmental Center - Adult	88,197,188	87,088,168	1,109,020	-	-	-	88,197,188	87,088,168	1,109,020
1566	Murdoch Developmental Center - Adult	91,441,557	90,209,358	1,232,199	-	-	-	91,441,557	90,209,358	1,232,199
1567	J Iverson Riddle Developmental Center - Adult	58,478,640	57,335,156	1,143,484	-	-	-	58,478,640	57,335,156	1,143,484
156A	Longleaf Neuro-Medical Treatment Center - Adult	33,304,780	29,562,465	3,742,315	-	-	-	33,304,780	29,562,465	3,742,315
156B	Black Mountain Neuro-Medical Treatment Center - Adult	26,546,183	25,337,529	1,208,654	-	-	-	26,546,183	25,337,529	1,208,654
156C	O'Berry Neuro-Medical Treatment Center - Adult	54,366,372	53,777,014	589,358	-	-	-	54,366,372	53,777,014	589,358
156D	Julian F Keith ADATC - Adult	15,169,777	15,169,777	-	-	-	-	15,169,777	15,169,777	-
156E	RJ Blackley ADATC - Adult	14,863,927	14,863,927	-	-	-	-	14,863,927	14,863,927	-
156F	Walter B Jones ADATC - Adult	13,138,115	13,138,115	-	-	-	-	13,138,115	13,138,115	-
1910	Reserves and Transfers	4,181,982	3,200,000	981,982	20,000,000	-	20,000,000	24,181,982	3,200,000	20,981,982
1992	Prior Year - Earned Revenue	49,729	49,729	-	-	-	-	49,729	49,729	-
Division-wide Items										
N/A	Mental Health Block Grant	-	-	-	(63,715)	(63,715)	-	(63,715)	(63,715)	-
N/A	Substance Abuse Block Grant	-	-	-	658,156	658,156	-	658,156	658,156	-
N/A	Reserve for Compensation Increase	-	-	-	4,585,276	N/A	4,585,276	4,585,276	N/A	4,585,276
N/A	Reserve for Retirement Contributions	-	-	-	1,460,140	N/A	1,460,140	1,460,140	N/A	1,460,140
N/A	Reserve for State Health Plan Contributions	-	-	-	-	-	-	-	-	-
Total		\$1,266,437,595	\$728,576,287	\$537,861,308	\$24,532,762	(\$641,054)	\$25,173,816	\$1,290,970,357	\$727,935,233	\$563,035,124

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Mental Health/Developmental Disabilities/Substance Abuse Services					
Budget Code 14460		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	197.00	-	-	197.00
1443	Community Services - Riddle Center - FIPP	25.00	-	-	25.00
1541	Broughton Hospital - Child	90.00	-	-	90.00
1542	Cherry Hospital - Child	61.00	-	-	61.00
1543	Central Regional Hospital - Child	214.00	-	-	214.00
1545	Murdoch Developmental Center - Child	159.00	-	-	159.00
1546	Wright School - Child	38.66	-	-	38.66
1561	Broughton Hospital - Adult	1,238.50	-	-	1,238.50
1562	Cherry Hospital - Adult	1,300.60	-	-	1,300.60
1563	Central Regional Hospital - Adult	1,799.12	-	-	1,799.12
1565	Caswell Developmental Center - Adult	1,442.50	-	-	1,442.50
1566	Murdoch Developmental Center - Adult	1,494.00	-	-	1,494.00
1567	J Iverson Riddle Developmental Center - Adult	944.75	-	-	944.75
156A	Longleaf Neuro-Medical Treatment Center - Adult	486.80	-	-	486.80
156B	Black Mountain Neuro-Medical Treatment Center - Ad	449.00	-	-	449.00
156C	O'Berry Neuro-Medical Treatment Center - Adult	881.27	-	-	881.27
156D	Julian F Keith ADATC - Adult	198.88	-	-	198.88
156E	RJ Blackley ADATC - Adult	155.00	-	-	155.00
156F	Walter B Jones ADATC - Adult	155.50	-	-	155.50
1910	Reserves and Transfers	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		11,330.58	-	-	11,330.58

Health and Human Services

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$537,861,308

Legislative Changes

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

65 Compensation Increase Reserve	\$3,476,856	R
Fund Code: N/A	\$1,108,420	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. In addition, funds are provided for salary increases for State agency teachers who are paid in accordance with the Statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1A, 36.12, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

66 State Retirement Contributions	\$584,056	R
Fund Code: N/A	\$876,084	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

67 Cherry Hospital Operating Costs	(\$3,000,000)	NR
Fund Code: 1562		

Reduces funding previously budgeted to meet Cherry Hospital's expanded bed capacity. S.L. 2012-142 appropriated \$3.5 million in recurring funds for 373 additional positions to staff the expanded operating capacity at the Cherry Hospital replacement facility originally scheduled to open in April 2013. The FY 2013-14 base budget included \$9.6 million recurring for the annualized General Fund cost of the new positions. Due to construction and other delays, the replacement facility is now scheduled to open in September 2016. Only 25 of the 100 additional beds will go online at that time. The revised net appropriation for Cherry Hospital is \$73.7 million.

68 Broughton Hospital Maintenance

Fund Code: 1561 \$500,000 NR

Provides funding for Broughton Hospital maintenance. The revised net appropriation for Broughton Hospital is \$60.6 million.

69 Controlled Substance Reporting System

Fund Code: 1110 \$375,000 R
\$1,253,400 NR

Provides funding to develop software and upgrade the Controlled Substance Reporting System (CSRS) as follows:

\$600,000 nonrecurring shall be used to upgrade the CSRS database to meet the most current architecture standards of the American Society for Automation in Pharmacy and Prescription Monitoring Information Exchange,

\$375,000 recurring and \$653,400 nonrecurring shall be used to develop and implement software for the performance of advanced analytics within the CSRS

The revised net appropriation for Fund 1110 Service Support is \$15.5 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec.12F.7)

70 Governor's Task Force Recommendations

Fund Code: 1910 \$10,000,000 R
\$10,000,000 NR

Reserves funding to implement the recommendations of the Governor's Task Force on Mental Health and Substance Use. The funds shall be held in the Mental Health and Substance Use Task Force Reserve Fund, shall not revert, and shall remain available until expended. Monies may only be expended with the prior approval of the Office of State Budget and Management and a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The revised net appropriation for the Mental Health and Substance Use Task Force Reserve Fund is \$20.0 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12F.3)

71 Substance Abuse Prevention and Treatment Block Grant

Fund Code: N/A

Budgets additional federal Substance Abuse Prevention and Treatment Block Grant (SAPTBG) receipts in the amount of \$658,156. The revised federal SAPTBG receipts for the Division are \$45.1 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

72 Mental Health Block Grant

Fund Code: N/A

Budgets a reduction in federal Mental Health Block Grant (MHBG) receipts in the amount of \$63,715. The revised federal MHBG receipts are \$16.9 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12K.1)

Total Legislative Changes	\$14,435,912	R
	\$10,737,904	NR
Total Position Changes		
Revised Budget	\$563,035,124	

DHHS - DMH/DD/SAS - Special

Budget Code: 24460

	FY 2016-17
Beginning Unreserved Fund Balance	\$1,000,000
Recommended Budget	
Requirements	\$1,000,000
Receipts	\$1,000,000
Positions	1.49

Legislative Changes

Requirements:

Child Facility-Based Crisis Centers

Provides funds to the Department of Health and Human Services, Budget Code 24460, for start-up costs (renovation or construction) to establish up to 2 new child facility-based crisis centers. Funds will be awarded on a competitive basis. The Department shall establish a process for applying for these grants, criteria for evaluating applications, and a process for allocating grants. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12F.4)

	\$0	R
	\$2,000,000	NR
	0.00	

Inpatient Behavioral Health Beds

Transfers funds to the Department of Health and Human Services, Budget Code 24460, for the purpose of expanding inpatient capacity in rural areas near counties with limited inpatient capacity relative to their needs through constructing new beds or renovating existing beds to form new inpatient psychiatric units. Beds constructed or converted with these funds shall be named in honor of Dorothea Dix. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12F.4)

	\$0	R
	\$18,000,000	NR
	0.00	

FY 2016-17

Mental Health and Substance Use Task Force Reserve

\$10,000,000 R

Reserves funding to implement the recommendations of the Governor's Task Force on Mental Health and Substance Use. The funds shall be held in the Mental Health and Substance Use Task Force Reserve Fund, shall not revert, and shall remain available until expended. Monies may only be expended with the prior approval of the Office of State Budget and Management and a report to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division. The revised net appropriation for the Mental Health and Substance Use Task Force Reserve Fund is \$20.0 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12F.3)

\$10,000,000 NR

0.00

Subtotal Legislative Changes

\$10,000,000 R

\$30,000,000 NR

0.00

Receipts:

Child Facility-Based Crisis Centers

\$0 R

\$2,000,000 NR

Inpatient Behavioral Health Beds

\$0 R

\$18,000,000 NR

Mental Health and Substance Use Task Force Reserve

\$10,000,000 R

\$10,000,000 NR

Subtotal Legislative Changes

\$10,000,000 R

\$30,000,000 NR

FY 2016-17

Revised Total Requirements	\$41,000,000
Revised Total Receipts	\$41,000,000
Change in Fund Balance	\$0
Total Positions	1.49

Unappropriated Balance Remaining	\$1,000,000
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Special Provisions

2016 Session: HB 1030

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

Section: 12F.1

Title: **MEDICATION-ASSISTED OPIOID USE DISORDER TREATMENT PILOT PROGRAM**

Summary Directs the Department of Health and Human Services (DHHS) to oversee a 3-year pilot program administered through designated federally qualified health centers (FQHCs) to address the State's growing opioid addiction and overdose crisis. The program will study the effectiveness of combining behavioral therapy with an injectable form of naltrexone (opioid antagonist) for the prevention of relapse to opioid dependence.

Subsection (a) establishes the pilot program definitions.

Subsection (b) directs DHHS to administer the pilot program through designated FQHCs and to collaborate with the NC Institute of Medicine or other qualified entity to determine the number of program participants and randomized control group members needed to ensure sufficient statistical significance of any findings about the effectiveness of the pilot.

Subsection (c) requires DHHS to select 3 to 5 FQHCs located in different parts of the State to participate, giving priority to those that have received federal grant funds to expand substance abuse services to include the use of medication-assisted treatment of opioid disorders.

Subsection (d) directs DHHS to develop a methodology for selecting program participants and randomized control group members, which may include individuals referred from local criminal justice agencies.

Subsection (e) establishes the treatment standards and requires each participating FQHC to sign a participation agreement to adhere to all of the treatment standards.

Subsection (f) requires DHHS to develop, within 60 days after the effective date of this section, a standardized methodology for FQHCs to collect and report pilot program data annually to the Department.

Subsection (g) directs DHHS to conduct and submit to the Joint Legislative Oversight Committee on Health and Human Services a comprehensive evaluation on the effectiveness of the pilot program by November 1, 2020.

Subsection (h) directs that the pilot program at each designated FQHC shall expire no later than 3 years after the date of its commencement.

Subsection (i) provides \$500,000 from the federal Substance Abuse Prevention and Treatment Block Grant to be allocated to the designated FQHCs to offset the cost of the pilot program services.

Subsection (j) directs that with the exception of subsection (i), this section becomes effective when it becomes law. Subsection (i) becomes effective July 1, 2016.

Section: 12F.3

Title: **RESERVE FUND FOR GOVERNOR'S MENTAL HEALTH AND SUBSTANCE USE TASK FORCE RECOMMENDATIONS**

Summary Establishes the Mental Health and Substance Use Task Force Reserve Fund and directs that money in the Fund shall not revert at the end of the fiscal year. Reserve funds may only be expended to implement the Governor's Task Force recommendations upon the fulfillment of 2 conditions: (1) prior approval by the Office of State Budget and Management (OSBM) of a detailed implementation plan with key milestones and due dates, and (2) within 10 days after obtaining OSBM approval, a report to the Joint Legislative Oversight Committee on Health and Human Services. (H.B. 1140/S.B. 885)

Section: 12F.4

Title: **USE OF DOROTHEA DIX HOSPITAL PROPERTY FUNDS**

Summary Directs the use of \$20 million appropriated from the Dorothea Dix Hospital Property Fund to construct new, or convert existing, acute hospital beds into licensed, short-term inpatient behavioral health beds and to establish up to 2 new facility-based crisis centers for children and adolescents.

Subsection (a) requires \$18 million be used for constructing new, or converting existing, beds into licensed, short-term inpatient behavioral health beds.

Subsection (b) directs the DHHS Secretary to select hospitals in the 3 State regions for institutional services (Eastern Region, Central Region, and Western Region) to receive the funds.

Subsection (c) requires the hospitals selected to receive these funds to have a total inventory of at least 18 licensed and operational short-term inpatient behavioral health beds within the 3-year period following approval of the licensure request.

Subsection (d) directs DHHS to report annually beginning November 1, 2017 to the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division on the number and location of additional licensed, short-term, inpatient behavioral health beds brought into operation with these funds.

Subsection (e) requires \$2 million be awarded through a competitive grant process to establish up to 2 new facility-based crisis centers for children and adolescents.

(H.B. 1140/S.B. 885)

Section: 12F.5

Title: **TRAUMATIC BRAIN INJURY FUNDING**

Summary Directs that \$2.4 million of the funds appropriated to DMH/DD/SAS be used exclusively to serve and assist individuals with traumatic brain injury.

Section: 12F.6

Title: **IMPROVE CONTROLLED SUBSTANCES REPORTING SYSTEM ACCESS AND UTILIZATION**

Summary Amends G.S. 90-113.74 to require DHHS to purge data more than 6 years old from the Controlled Substance Reporting System on a quarterly basis. The purged data must be maintained in a separate database, to be accessed only by public or private entities for statistical, research, or educational purposes. (H.B. 1140/S.B. 885)

Section: 12F.7

Title: **CONTROLLED SUBSTANCE REPORTING SYSTEM IMPROVEMENTS**

Summary Directs funding appropriated to improve the security, functionally, and interface capabilities of the Controlled Substance Reporting System (CSRS).

Subsection (a) requires \$600,000 in nonrecurring funds be used to upgrade the CSRS database and facilitate connectivity with other states and with the NC statewide health information exchange network. In addition, the subsection provides \$375,000 recurring and \$653,400 nonrecurring to pay for a contract to develop advanced analytics within the CSRS.

Subsection (b) directs DHHS to execute a contract to develop the advanced analytics software by December 1, 2016.

Subsection (c) creates a new statute, G.S. 90-113.74A, mandating that, within 30 days of obtaining a license that bestows prescribing authority, the licensee must demonstrate to the satisfaction of the licensing board that he/she is registered for access to the CSRS. Violation of the mandate may subject the prescriber to license suspension or revocation.

Subsection (d) directs that Subsection (c) becomes effective when State Chief Information Officer notifies the Revisor of the Statutes that the CSRS database is completed, fully operational, and connected to the statewide health information exchange and is applicable to violations committed on or after that date. (H.B. 1140/S.B. 885)

Section: 12F.9

Title: **EXPANDED USE OF FUNDS FOR INPATIENT PSYCHIATRIC BEDS OR BED DAYS**

Summary Amends S.L. 2015-241, Sec. 12F.1, 2015 Appropriations Act, to authorize the Department of Health and Human Services to use up to 10% of the funds allocated in the 2016-17 fiscal year for the State's three-way contracts to pay for facility-based crisis services and non-hospital detoxification services. (H.B. 1140/S.B. 885)

Section: 12F.10

Title: **STRATEGIC PLAN FOR IMPROVEMENT OF BEHAVIORAL HEALTH SERVICES**

Summary Directs the Department of Health and Human Services (DHHS), under subsection (a), to develop a strategic plan to improve the efficiency and effectiveness of State-funded behavioral health services.

Subsection (b) directs DHHS to submit the plan to the Joint Legislative Oversight Committee on Health and Human Services, Joint Legislative Oversight Committee on Medicaid and NC Health Choice, and the Fiscal Research Division by January 1, 2018.

Subsection (c) directs each legislative oversight committee to appoint a subcommittee on behavioral health services. The subcommittees must work jointly to oversee and review the Department's development of the strategic statewide plan and to make recommendations to their respective Committees.

Subsection (d) directs that this Section becomes effective when it becomes law.

**Vocational Rehabilitation
Budget Code 14480**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$144,461,879
Receipts	\$106,709,747
<hr/>	
Net Appropriation	\$37,752,132
 Legislative Changes	
Requirements	\$456,517
Receipts	\$0
<hr/>	
Net Appropriation	\$456,517
 Revised Budget	
Requirements	\$144,918,396
Receipts	\$106,709,747
<hr/>	
Net Appropriation	\$38,208,649

General Fund FTE

Enacted Budget	993.25
Legislative Changes	0.00
<hr/>	
Revised Budget	993.25

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Vocational Rehabilitation Budget Code 14480		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	9,570,760	7,286,780	2,283,980	-	-	-	9,570,760	7,286,780	2,283,980
1261	Access Outreach - VR and IL Client Advocacy and As	362,271	362,271	-	-	-	-	362,271	362,271	-
1263	Outreach - Service Access Grant	151,846	151,846	-	-	-	-	151,846	151,846	-
1452	Adults Home Support - Independent Living - Rehabilita	16,638,729	3,427,730	13,210,999	-	-	-	16,638,729	3,427,730	13,210,999
1470	Assistive Technology Equipment Loan	1,851,821	900,099	951,722	-	-	-	1,851,821	900,099	951,722
1480	Vocational Rehabilitation - Employment Services	113,963,615	92,658,184	21,305,431	50,000	-	50,000	114,013,615	92,658,184	21,355,431
1991	Indirect Reserve	1,864,912	1,864,912	-	-	-	-	1,864,912	1,864,912	-
1992	Prior Year - Earned Revenue	57,925	57,925	-	-	-	-	57,925	57,925	-
Division-wide Items										
N/A	Reserve for Compensation Increase				306,740	N/A	306,740	306,740	N/A	306,740
N/A	Reserve for Retirement Contributions	-	-	-	99,777	N/A	99,777	99,777	N/A	99,777
Total		\$144,461,879	\$106,709,747	\$37,752,132	\$456,517	\$0	\$456,517	\$144,918,396	\$106,709,747	\$38,208,649

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Vocational Rehabilitation					
Budget Code 14480		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	77.00	-	-	77.00
1261	Access Outreach - VR & IL Client Advocacy a& Assistance	4.00	-	-	4.00
1263	Outreach - Service Access Grant	1.00	-	-	1.00
1452	Adults Home Support - Ind Living - Rehabilitation	69.00	-	-	69.00
1470	Assistive Technology Equipment Loan	19.75	-	-	19.75
1480	Vocational Rehabilitation - Employment Services	822.50	-	-	822.50
1991	Indirect Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		993.25	-	-	993.25

Health and Human Services

GENERAL FUND

FY 16-17
\$37,752,132

Total Budget Enacted 2015 Session

Legislative Changes

(7.0) Division of Vocational Rehabilitation

73 Compensation Increase Reserve	\$230,055	R
Fund Code: N/A	\$76,685	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1A, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

74 State Retirement Contributions	\$39,911	R
Fund Code: N/A	\$59,866	NR

Increases the State’s contribution for members of the Teachers’ and State Employees’ Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and Sec. 36.21)

75 Able To Work, USA		
Fund Code: 1480	\$50,000	NR

Provides \$50,000 for Able to Work, USA to assist persons with disabilities to find meaningful employment. The revised net appropriation for vocational rehabilitation employment services is \$21.4 million.

Total Legislative Changes	\$269,966	R
	\$186,551	NR
Total Position Changes		
Revised Budget	\$38,208,649	

Special Provisions

2016 Session: HB 1030

Division: (7.0) Division of Vocational Rehabilitation

Section:

Title: **No Special Provisions**

Summary

**Division of Health Service Regulation
Budget Code 14470**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$66,800,892
Receipts	\$50,690,218
Net Appropriation	\$16,110,674
 Legislative Changes	
Requirements	\$469,252
Receipts	\$0
Net Appropriation	\$469,252
 Revised Budget	
Requirements	\$67,270,144
Receipts	\$50,690,218
Net Appropriation	\$16,579,926

General Fund FTE

Enacted Budget	563.50
Legislative Changes	0.00
Revised Budget	563.50

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Division of Health Service Regulation		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14470										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	3,441,598	2,122,624	1,318,974	-	-	-	3,441,598	2,122,624	1,318,974
1151	Acute and Home Care Licensure and Certification	4,127,168	3,928,728	198,440	-	-	-	4,127,168	3,928,728	198,440
1152	Nursing Home and Adult Care Licensure and Certification	16,699,750	12,287,623	4,412,127	-	-	-	16,699,750	12,287,623	4,412,127
1153	Construction	5,195,641	3,820,306	1,375,335	-	-	-	5,195,641	3,820,306	1,375,335
1154	Health Care Personnel Registry	4,368,524	3,373,459	995,065	-	-	-	4,368,524	3,373,459	995,065
1155	Jails and Detention Centers Inspections	167,294	-	167,294	-	-	-	167,294	-	167,294
1156	Regulatory - Mental Health Licensure and Certification	6,287,082	4,231,335	2,055,747	-	-	-	6,287,082	4,231,335	2,055,747
1157	Radiation Protection	4,623,787	4,623,787	-	-	-	-	4,623,787	4,623,787	-
1161	Preparedness - Statewide Health Planning	2,510,141	84,597	2,425,544	-	-	-	2,510,141	84,597	2,425,544
1162	Preparedness - Hospital Preparedness	14,182,123	14,182,123	-	-	-	-	14,182,123	14,182,123	-
1163	Preparedness - Local Emergency Medical Services	4,235,519	1,073,371	3,162,148	-	-	-	4,235,519	1,073,371	3,162,148
1991	Indirect Reserve	962,265	962,265	-	-	-	-	962,265	962,265	-
Division-wide Items										
N/A	Reserve for Compensation Increase	-	-	-	354,077	N/A	354,077	354,077	N/A	354,077
N/A	Reserve for Retirement Contributions	-	-	-	115,175	N/A	115,175	115,175	N/A	115,175
Total		\$66,800,892	\$50,690,218	\$16,110,674	\$469,252	\$0	\$469,252	\$67,270,144	\$50,690,218	\$16,579,926

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Division of Health Service Regulation					
Budget Code 14470		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	25.00	-	-	25.00
1151	Acute and Home Care Licensure and Certification	47.00	-	-	47.00
1152	Certification	192.00	-	-	192.00
1153	Construction	55.00	-	-	55.00
1154	Health Care Personnel Registry	50.00	-	-	50.00
1155	Jails and Detention Centers Inspections	2.00	-	-	2.00
1156	Certification	76.00	-	-	76.00
1157	Radiation Protection	48.50	-	-	48.50
1161	Preparedness - Statewide Health Planning	23.00	-	-	23.00
1162	Preparedness - Hospital Preparedness	13.00	-	-	13.00
1163	Preparedness - Local Emergency Medical Services	32.00	-	-	32.00
1991	Indirect Reserve	-	-	-	-
Total FTE		563.50	-	-	563.50

Health and Human Services

GENERAL FUND

FY 16-17
\$16,110,674

Total Budget Enacted 2015 Session

Legislative Changes

(8.0) Division of Health Service Regulation

76 Compensation Increase Reserve	\$265,558	R
Fund Code: N/A	\$88,519	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S. L. 2016-94, Secs. 36.1A, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

77 State Retirement Contributions	\$46,070	R
Fund Code: N/A	\$69,105	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17.

Total Legislative Changes	\$311,628	R
	\$157,624	NR

Total Position Changes

Revised Budget	\$16,579,926
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Special Provisions

2016 Session: HB 1030

Division: (8.0) Division of Health Service Regulation

Section: 12G.1

Title: MORATORIUM ON HOME CARE AGENCY LICENSES FOR IN-HOME AIDE SERVICES

Summary Amends Section 12G.4(a), of S.L. 2014-100, 2014 Appropriations Act, by extending the moratorium on home care agency licensure for in-home aide services by 3 years to June 30, 2019, and clarifies that respite services are not subject to the moratorium. (H.B. 1140/S.B. 885)

Section: 12G.2

Title: ADULT CARE HOME COST REPORTING

Summary Amends G.S. 131D-4.2 to change the frequency of cost reporting for adult care homes so that reports are due at least once every two years, instead of annually; also provides that this report documentation will be used to adjust the adult care home rate at least every two years, instead of annually as provided under current law.

Section: 12G.3

Title: FACILITIES INCLUDED UNDER SINGLE HOSPITAL LICENSE

Summary Amends G.S. 131E-77, the NC Hospital Licensure Act, to exclude certain outpatient departments from being considered part of a hospital, and modifies the regulations implementing the Act that specifically state that a hospital license shall only include facilities or premises that are located within a single county. This section allows a hospital license to include facilities, premises, buildings, outpatient clinics, and other locations operated by a hospital in an immediately-adjointing county, but only if the applicant demonstrates to the satisfaction of DHHS that there was previously only 1 licensed hospital in the immediately-adjointing county that closed or otherwise ceased patient services no more than 3 years prior to the applicant's initial establishment of a facility, premises, building, outpatient clinic, or location in that immediately-adjointing county.

This section also provides that if a hospital establishes its initial facility, premises, building, outpatient clinic, or other location in an immediately-adjointing county within 3 years after the closure of, or cessation of patient services at, a previously-licensed hospital within the immediately-adjointing county, then any additional facilities, premises, buildings, outpatient clinics, or other locations thereafter developed by the hospital may be included under the hospital's license.

Section: 12G.4

Title: REPEAL OF CERTIFICATE OF PUBLIC ADVANTAGE LAWS

Summary Changes the effective date for the repeal of Certificate of Public Advantage (COPA) laws from January 1, 2018 to September 30, 2016 and requires each party to a cooperative agreement for which a COPA was issued prior to September 30, 2016 to submit a final report by September 30, 2017.

**Division of Medical Assistance
Budget Code 14445**

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$14,896,932,911
Receipts	\$10,980,695,639
Net Appropriation	\$3,916,237,272

Legislative Changes

Requirements	(\$615,098,447)
Receipts	(\$304,773,525)
Net Appropriation	(\$310,324,922)

Revised Budget

Requirements	\$14,281,834,464
Receipts	\$10,675,922,114
Net Appropriation	\$3,605,912,350

General Fund FTE

Enacted Budget	400.51
Legislative Changes	25.00
Revised Budget	425.51

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Division of Medical Assistance		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14445		Requirements	Receipts	Net	Requirements	Receipts	Net	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name			Appropriation			Appropriation			
1101	Medical Assistance Administration	48,804,267	27,531,855	21,272,412	-	-	-	48,804,267	27,531,855	21,272,412
1102	Contracts and Agreements	158,682,757	121,811,679	36,871,078	-	-	-	158,682,757	121,811,679	36,871,078
1103	Health Information Technology	75,381,199	74,843,115	538,084	-	-	-	75,381,199	74,843,115	538,084
1210	Medical Assistance County Administration	120,000	120,000	-	-	-	-	120,000	120,000	-
1310	Medical Assistance Payments	12,889,327,462	8,645,561,730	4,243,765,732	(642,471,352)	(424,375,161)	(218,096,191)	12,246,856,110	8,221,186,569	4,025,669,541
1311	Community Care North Carolina	220,376,327	147,732,318	72,644,009	2,893,859	4,972,983	(2,079,124)	223,270,186	152,705,301	70,564,885
1320	Medical Assistance Cost Settlements	301,906,136	274,120,240	27,785,896	46,155,704	62,939,586	(16,783,882)	348,061,840	337,059,826	11,002,014
1330	Payment Adjustments	(48,824,450)	(37,098,239)	(11,726,211)	(48,671,284)	(34,035,459)	(14,635,825)	(97,495,734)	(71,133,698)	(26,362,036)
1331	Rebates	(1,112,464,180)	(761,931,680)	(350,532,500)	(75,551,790)	(36,223,148)	(39,328,642)	(1,188,015,970)	(798,154,828)	(389,861,142)
1337	Consolidated Supplemental Hospital Payments	2,363,623,393	2,488,004,621	(124,381,228)	99,933,088	120,797,674	(20,864,586)	2,463,556,481	2,608,802,295	(145,245,814)
1340	Undispositioned Refunds	-	-	-	-	-	-	-	-	-
1350	Medicaid Periodic Interim Payments	-	-	-	-	-	-	-	-	-
1810	Revenue Clearing	-	-	-	-	-	-	-	-	-
1910	Reserves and Transfers	-	-	-	2,300,000	1,150,000	1,150,000	2,300,000	1,150,000	1,150,000
1991	Federal Indirect Reserves	-	-	-	-	-	-	-	-	-
1992	Prior Year Earned Revenue	-	-	-	-	-	-	-	-	-
1993	Prior Year Audit and Adjustments	-	-	-	-	-	-	-	-	-
Division-wide Items										
N/A	Reserve for Compensation Increase	-	-	-	236,423	N/A	236,423	236,423	N/A	236,423
N/A	Reserve for Retirement Contributions	-	-	-	76,905	N/A	76,905	76,905	N/A	76,905
Total		\$14,896,932,911	\$10,980,695,639	\$3,916,237,272	(\$615,098,447)	(\$304,773,525)	(\$310,324,922)	\$14,281,834,464	\$10,675,922,114	\$3,605,912,350

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Division of Medical Assistance					
Budget Code 14445		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Medical Assistance Administration	386.51	-	-	386.51
1102	Contracts and Agreements	-	-	-	-
1103	Health Information Technology	14.00	-	-	14.00
1210	Medical Assistance County Administration	-	-	-	-
1310	Medical Assistance Payments	-	-	-	-
1311	Community Care North Carolina	-	-	-	-
1320	Medical Assistance Cost Settlements	-	-	-	-
1330	Payment Adjustments	-	-	-	-
1331	Rebates	-	-	-	-
1337	Consolidated Supplemental Hospital Payments	-	-	-	-
1340	Undispositioned Refunds	-	-	-	-
1350	Medicaid Periodic Interim Payments	-	-	-	-
1810	Revenue Clearing	-	-	-	-
1910	Reserves and Transfers	-	25.00	-	25.00
1991	Federal Indirect Reserves	-	-	-	-
1992	Prior Year Earned Revenue	-	-	-	-
1993	Prior Year Audit and Adjustments	-	-	-	-
Total FTE		400.51	25.00	-	425.51

Health and Human Services

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$3,916,237,272

Legislative Changes

(9.0) Division of Medical Assistance

78 Compensation Increase Reserve	\$177,317	R
Fund Code: N/A	\$59,106	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17 (S.L. 2016-94, Secs. 36.1A, 36.14, 36.15, 36.16 and 36.17).

(A related one-time, merit-based bonus item also appears in the Statewith Reservices section of the Conference Committee Report. See page L-4, item 4.

79 State Retirement Contributions	\$30,762	R
Fund Code: N/A	\$46,143	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17 (S.L. 2016-94, Secs. 36.20 and 36.21).

80 Medicaid Rebase	(\$310,524,345)	R
Fund Code: 1310, 1311, 1320, 1330, 1331, 1337	(\$8,056,927)	NR

Reduces the Division of Medical Assistance (DMA) base budget as a result of forecasted changes in enrollment, utilization, and pricing based on the Division of Medical Assistance forecasting model and year-to-date trends in spending and enrollment. The reduction in the Medicaid rebase represents a 7.9% decrease from the enacted budget. The revised net appropriation for DMA is \$3.6 billion after all changes.

- | | | |
|--|--------------------|----------|
| <p>81 Expand Support for Alzheimer's Patients
 Fund Code: 1310</p> <p>Expands support for Alzheimer's patients and their families through 320 additional slots for Community Alternative Program for Disabled Adults (CAP-DA) effective 1/1/17. The revised net appropriation for DMA is \$3.6 billion after all changes (H.B. 1140/S.B. 885, S.L. 2016-94, Sec. 12H.5).</p> | <p>\$1,500,000</p> | <p>R</p> |
| <p>82 Innovations Waiver
 Fund Code: 1310</p> <p>Provides funding to increase NC Innovations 1915 (c) Waiver slots by 250 individuals effective 1/1/17 who qualify for institutional level care due to intellectual or developmental disabilities, but can be served under a community alternatives program in their homes. The revised net appropriation for DMA is \$3.6 billion after all changes (H.B. 1140/S.B. 885, S.L. 2016-94, Sec. 12H.11).</p> | <p>\$2,595,840</p> | <p>R</p> |
| <p>83 Community Alternatives Program for Children (CAP-C) Nursing Rates
 Fund Code: 1310</p> <p>Increases Registered Nurses (RN) and Licensed Practical Nurses (LPN) rates for Community Alternatives Program for Children (CAP-C) services to the same rate that is in effect for private duty nursing. The CAP-C nursing rates will be increased by 10%. The revised net appropriation for DMA is \$3.6 billion after all changes. (S.L. 2016-94, Sec. 12H.6)</p> | <p>\$2,266,000</p> | <p>R</p> |
| <p>84 Federal Rural Hospital Designation - Graduate Medical Education
 Fund Code: 1337</p> <p>Provides funds to offset the fiscal impact of Cape Fear Valley Medical Center being reclassified as a rural hospital by the Centers for Medicare and Medicaid Services as referenced in the "Graduate Medical Education" item in the Division of Central Management and Support. The reclassification results in access to federal funding for residency programs that will be affiliated with Campbell University Medical School. The reclassification will reduce the rate used to calculate the upper payment limit supplemental payment, and thus reduce the assessment collected and the State's retention of 28.85% of that amount. The revised net appropriation for DMA will be \$3.6 billion after all changes (S.L. 2016-94, Sec. 12H.12).</p> | <p>\$431,182</p> | <p>R</p> |
| <p>85 Critical Positions
 Fund Code: 1910</p> <p>Provides funding for Division of Medical Assistance to enhance staffing and operate 3 critical organizational units (Business Information Office, Clinical Policy, and Operations). New staff will support automation, data retrieval, and analysis. Additionally, the new staff will provide oversight and management of Medicaid policy, vendors, and stakeholders and continue support of provider and recipient services. The revised net appropriation for DMA will be \$3.6 billion after all changes (H.B. 1140/S.B. 885, S.L. 2016-94, Sec. 12H.18).</p> | <p>\$1,150,000</p> | <p>R</p> |

25.00

Total Legislative Changes	(\$302,373,244)	R
	(\$7,951,678)	NR
Total Position Changes		25.00
Revised Budget	\$3,605,912,350	

Special Provisions

2016 Session: HB 1030

Division: (9.0) Division of Medical Assistance

Section: 12H.1

Title: ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE

Summary Amends S.L. 2015-241, Sec. 12H10(b) to revise amount of money to be deposited as nontax revenue for FY 2016-17. (H.B.1140/S.B. 885)

Section: 12H.2

Title: MEDICAID RECOVERY AND ABLE ACCOUNTS

Summary Amends G.S. 147-86.73 to correct an error related to the notice requirement for Medicaid recovery from Achieving a Better Life Experience (ABLE) accounts, which appeared in the ABLE Act legislation (S.L. 2015-203). The notice requirement contained references to individuals living in the property, which is not applicable to ABLE accounts. This section revises the notice requirements to remove those references and make the notice consistent with recovery from other types of trusts. (H.B.1140/S.B. 885)

Subsection (b) repeals G.S. 147-86.73(g) regarding notice for designated individual receiving Medicaid.

Subsection (c) makes the effective date when the bill becomes law.

Section: 12H.3

Title: MEDICAID AND HEALTH CHOICE PROVIDER SCREENING

Summary Amends G.S. 108C-3 by providing that in addition to excluding as Medicaid providers those providers who have been excluded from other states' Medicaid programs, the Division of Medical Assistance (DMA) shall also exclude providers who have been excluded by the Medicare program and other states' Children's Health Insurance Program (CHIP) programs. Reasons for exclusion include fraud. (H.B. 1140/S.B. 885)

Subsection (b) makes the effective date when the bill becomes law.

Section: 12H.3A

Title: CONTRACT TO RECOVER CERTAIN OVERPAYMENTS AND REPORTING ON PREPAYMENT FRAUD

Summary Requires DHHS to issue a request for proposals by October 1, 2016 to recover overpayments to providers of less than \$150 and to pay for the contract on a contingent fee that is a percentage of the State share of the final overpayment that is recovered.

Subsection (b) requires DHHS to report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by October 1, 2016 on a strategy for identifying and addressing prepayment fraud.

(S.L. 2016-123, Sec. 5.5, Measurability Assessments/Budget Tech. Corr., amends the date in Subsection (a) to December 31, 2016 for the issuance of the request for proposals.)

Section: 12H.4

Title: **CLARIFY DHHS AUTHORITY TO ADMINISTER MEDICAID AND NC HEALTH CHOICE PROGRAMS**

Summary Amends G.S. 108A-54 (e) to clarify DHHS's authority to make changes to the Medicaid and NC Health Choice programs within their budgets effective for the current Medicaid program, consistent with the effective date in S.L. 2015-245, the Medicaid reform law. (H.B. 1140/S.B. 885)

Section: 12H.5

Title: **EXPAND SUPPORT FOR PATIENTS WITH ALZHEIMER'S DISEASE AND THEIR FAMILIES THROUGH COMMUNITY ALTERNATIVES PROGRAM FOR DISABLED ADULTS WAIVER SLOTS**

Summary Directs DHHS to amend the Community Alternatives Program for Disabled Adults (CAP-DA) waiver, effective January 1, 2017. Subsection (b) directs the Department to spend \$1.5 million to fund 320 additional slots.

Section: 12H.6

Title: **INCREASE NURSING RATES FOR COMMUNITY ALTERNATIVES PROGRAM FOR CHILDREN**

Summary Provides a 10% increase in rates paid for nursing services provided through the CAP-C waiver, consistent with the rate increase in the FY 2015-16 budget for private duty nursing services.

Section: 12H.7

Title: **REMOVE SUNSET ON MEDICAID ELIGIBILITY/COLA DISREGARD**

Summary Amends Sec. 10.6 (c) of S.L. 2012-142 by eliminating the sunset provision in the law (S.L. 2012-142) that allows individuals to retain their Medicaid eligibility if their income increases due to a Social Security cost-of-living adjustment. The statute has been in place since 2012 and is scheduled to sunset on Dec. 31, 2017.

Section: 12H.8

Title: **STUDIES TO BE CONDUCTED BY THE DIVISION OF MEDICAL ASSISTANCE**

Summary Subsections (a) and (c) require DHHS to study the impact of covering certain adult preventative services in order to qualify for a one percentage point increase in the State's federal Medicaid match rate, including what additional services would have to be added, whether any cost-sharing would have to be eliminated, the cost of any changes that would be needed, the benefit to receiving the enhanced match rate, and whether DHHS plans to implement the changes that would be needed. If DHHS adjusts any rates, makes any changes to services provided or cost-sharing requirements, or submits any State Plan Amendments as a result of this subsection, then DHHS must submit a report to the Medicaid Oversight Committee within 30 days after taking the action.

Subsection (b) requires DHHS to study the adequacy of existing Medicaid rates paid for residential treatment services, considering data collected in concert with residential treatment providers and other sources of information available to DHHS, including rates paid for certain services described in rule, certain services currently covered by Medicaid, rates paid for other publicly-funded services that compliment residential treatment services, and increased costs due to recent changes to home- and community-based waiver requirements.

Section: 12H.9

Title: **STUDY MEDICAID COVERAGE FOR SCHOOL-BASED HEALTH SERVICES**

Summary Requires DHHS to conduct a study to identify all school-based health services eligible for Medicaid federal matching funds which are not reimbursable under the current Medicaid State Plan. This section requires a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by Nov. 1, 2016 identifying the school-based health services for which Medicaid coverage could be added, the fiscal impact to both DHHS and Local Education Agencies of adding coverage, and whether DHHS plans to add any coverage that has been studied.

Section: 12H.11

Title: **STUDY INNOVATIONS WAIVER TO ADDRESS THE WAITLIST AND FEDERAL CHANGES**

Summary Requires the Joint Legislative Oversight Committee on Medicaid and NC Health Choice to study policy issues pertaining to service delivery for people with intellectual and developmental disabilities. The policy issues to be studied must include causes and potential solutions for the growing waitlist for services provided through the NC Innovations waiver, issues surrounding single-stream funding, federal mandates that are expected to impact services to this population, and coverage of services to treat autism. The Joint Legislative Oversight Committee on Medicaid and NC Health Choice shall report its findings and any proposals to the 2017 General Assembly.

Section: 12H.12

Title: **MEDICAID GRADUATE MEDICAL EDUCATION PAYMENTS**

Summary Sets forth the General Assembly's intent to explore all possible funding options to maintain or expand reimbursement for Graduate Medical Education.

Section: 12H.13

Title: **RATES PAID TO FEDERALLY QUALIFIED HEALTH CENTERS AND RURAL HEALTH CENTERS**

Summary Requires DHHS to adjust the rates paid for core services to Federally Qualified Health Centers and Rural Health Clinics to reflect more accurately the true costs of these services, within existing funds, effective July 1, 2016.

Section: 12H.15

Title: **EVALUATE MEDICAID AND NC HEALTH CHOICE BEHAVIORAL HEALTH PROVIDER CLASSIFICATION**

Summary Requires DHHS, in collaboration with statewide behavioral health stakeholders, to evaluate the classification of behavioral health providers, other than critical access behavioral health providers (CABHAs). For purposes of provider enrollment those providers evaluated will be considered in high categorical risk category. This section requires DHHS to propose an evaluation tool to be used to classify the risk of different categories of behavioral health providers and to propose any recommended legislative changes in a report to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by December 1, 2016.

Section: 12H.16

Title: **COMPLETION OF PERFORMANCE AUDIT OF COUNTY DEPARTMENTS OF SOCIAL SERVICES' ADMINISTRATION OF MEDICAID PROGRAM**

Summary Amends Section 11.5(c) of S.L. 2015-7 by extending the completion date for the State Auditor's performance audit of county Medicaid eligibility determinations. The Section extends the completion date by 11 months to December 31, 2016

Section: 12H.17

Title: **MEDICAID ELIGIBILITY DETERMINATION TIMELINESS**

Summary Requires the Division of Medical Assistance to report on the timeliness of Medicaid eligibility determinations performed by county departments of social services to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice and the Joint Legislative Oversight Committee on Health and Human Services and the Fiscal Research Division annually for the 2015-16 and 2016-17 fiscal years.

Subsections (b) and (c) create new statutes that set forth a framework for the Department of Health and Human Services (DHHS) to temporarily assume Medicaid eligibility administration when a county is not meeting timely processing standards and corrective action efforts have been unsuccessful.

Subsection (d) establishes that the corrective action procedures in this section supersede the corrective action procedures in administrative rules relating to the timeliness of processing Medicaid applications by county departments of social services.

Subsection (e) authorizes DHHS to adopt and amend rules to implement subsections (b) through (d).

Subsection (f) makes subsections (b) through (d) effective January 1, 2017 and the rest of the section effective July 1, 2016. (H.B. 1087/S.B. 841)

Section: 12H.18

Title: **CRITICAL MEDICAID POSITIONS**

Summary Directs DMA to transfer \$1.2 million to the Division of Health Benefits to fund critical positions. (H.B.1140/S.B. 885)

(S.L. 2016-123, Sec 5.2, Measurability Assessments/Budget Tech. Corr., amends this section to provide the funding to the Division of Medical Assistance for the critical positions rather than transferring the funding to the Division of Health Benefits.)

2016 Session: HB 805

Division: (9.0) Division of Medical Assistance

Section: 5.2

Title: **TECHNICAL CORRECTION: AMENDS DIVISION FUNDS FOR NEW POSITIONS**

Summary Amends S.L. 2016-94, Sec. H.18 to provide the funding to the Division of Medical Assistance for the critical positions and to not transfer the funding to the Division of Health Benefits.

Section: 5.5

Title: **TECHNICAL CORRECTION: AMENDS DATE FOR REQUEST FOR PROPOSALS**

Summary Amends the date in S.L. 2016-94, Sec. 12H.3A.(a), 2016 Appropriations Act, for the issuance of the request for proposals.

**NC Health Choice
Budget Code 14446**

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$202,808,764
Receipts	\$202,062,006
<hr/>	
Net Appropriation	\$746,758

Legislative Changes

Requirements	(\$17,914,545)
Receipts	(\$18,265,376)
<hr/>	
Net Appropriation	\$350,831

Revised Budget

Requirements	\$184,894,219
Receipts	\$183,796,630
<hr/>	
Net Appropriation	\$1,097,589

General Fund FTE

Enacted Budget	5.00
Legislative Changes	0.00
<hr/>	
Revised Budget	5.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

NC Health Choice		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14446										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1101	Health Choice Administration	1,836,009	1,590,035	245,974	-	-	-	1,836,009	1,590,035	245,974
1102	Contracts and Agreements	2,390,056	1,802,369	587,687	-	-	-	2,390,056	1,802,369	587,687
1310	Health Choice Payments	193,118,771	192,714,037	404,734	(18,303,914)	(18,293,423)	(10,491)	174,814,857	174,420,614	394,243
1311	Community Care North Carolina	6,429,966	6,716,721	(286,755)	141,433	(164,872)	306,305	6,571,399	6,551,849	19,550
1330	Payment Adjustments	(143,040)	(144,690)	1,650	12,596	15,570	(2,974)	(130,444)	(129,120)	(1,324)
1331	Rebates	(672,998)	(616,466)	(56,532)	232,571	177,349	55,222	(440,427)	(439,117)	(1,310)
1340	Undispositioned Receipts	(150,000)	-	(150,000)	-	-	-	(150,000)	-	(150,000)
Division-wide Items										
N/A	Reserve for Compensation Increase	-	-	-	2,089	N/A	2,089	2,089	N/A	2,089
N/A	Reserve for Retirement Contributions	-	-	-	680	N/A	680	680	N/A	680
Total		\$202,808,764	\$202,062,006	\$746,758	(\$17,914,545)	(\$18,265,376)	\$350,831	\$184,894,219	\$183,796,630	\$1,097,589

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

NC Health Choice					
Budget Code 14446		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Health Choice Administration	5.00	-	-	5.00
1102	Contracts and Agreements	-	-	-	-
1310	Health Choice Payments	-	-	-	-
1311	Community Care North Carolina	-	-	-	-
1330	Payment Adjustments	-	-	-	-
1331	Rebates	-	-	-	-
1340	Undispositioned Receipts	-	-	-	-
Total FTE		5.00	-	-	5.00

Health and Human Services

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$746,758

Legislative Changes

(10.0) NC Health Choice

86 Compensation Increase Reserve	\$1,567	R
Fund Code: N/A	\$522	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S. L. 2016-94, Secs. 36.1A, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

87 State Retirement Contributions	\$272	R
Fund Code: N/A	\$408	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

88 Health Choice Rebase	(\$4,613,716)	R
Fund Code: 1310	\$4,961,778	NR

Provides funding for the Health Choice Rebase. The revised net appropriation for the Health Choice Program is \$1 million.

Total Legislative Changes	(\$4,611,877)	R
	\$4,962,708	NR

Total Position Changes

Revised Budget	\$1,097,589
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Special Provisions

2016 Session: HB 1030

Division: (10.0) NC Health Choice

Section:

Title: **No Special Provisions**

Summary

**Services for the Blind/Deaf/Hard of Hearing
Budget Code 14450**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$33,630,274
Receipts	\$25,457,067
Net Appropriation	\$8,173,207
 Legislative Changes	
Requirements	\$91,653
Receipts	\$0
Net Appropriation	\$91,653
 Revised Budget	
Requirements	\$33,721,927
Receipts	\$25,457,067
Net Appropriation	\$8,264,860

General Fund FTE

Enacted Budget	312.84
Legislative Changes	0.00
Revised Budget	312.84

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Services for the Blind/Deaf/Hard of Hearing Budget Code 14450		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Service Support	2,017,133	1,524,901	492,232	-	-	-	2,017,133	1,524,901	492,232
1160	Deaf and Hard of Hearing - State Capacity Building	629,729	629,729	-	-	-	-	629,729	629,729	-
1261	Access and Outreach Deaf Community - Local Agency	757,242	757,242	-	-	-	-	757,242	757,242	-
1262	Access and Outreach Deaf Community - Citizens	766,801	766,801	-	-	-	-	766,801	766,801	-
1410	Deaf and Hard of Hearing - Client Services	1,378,419	1,378,419	-	-	-	-	1,378,419	1,378,419	-
1420	Medical Eye Care Services	2,525,184	-	2,525,184	-	-	-	2,525,184	-	2,525,184
1451	Independent Living Services - Chore and Adjustment	5,749,663	4,424,058	1,325,605	-	-	-	5,749,663	4,424,058	1,325,605
1452	Independent Living Rehabilitation Services	1,419,048	779,748	639,300	-	-	-	1,419,048	779,748	639,300
1481	Vocational Rehabilitation - Employment	16,676,125	13,485,539	3,190,586	-	-	-	16,676,125	13,485,539	3,190,586
1482	Small Business Employment Services	934,193	933,893	300	-	-	-	934,193	933,893	300
1991	Federal Indirect Reserve	154,842	154,842	-	-	-	-	154,842	154,842	-
1992	Prior Year - Earned Revenue	621,895	621,895	-	-	-	-	621,895	621,895	-
Division-wide Items										
N/A	Reserve for Compensation Increase	-	-	-	71,153	N/A	71,153	71,153	N/A	71,153
N/A	Reserve for Retirement Contributions	-	-	-	20,500	N/A	20,500	20,500	N/A	20,500
Total		\$33,630,274	\$25,457,067	\$8,173,207	\$91,653	\$0	\$91,653	\$33,721,927	\$25,457,067	\$8,264,860

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Services for the Blind/Deaf/Hard of Hearing					
Budget Code 14450		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Service Support	20.00	-	-	20.00
1160	Deaf and Hard of Hearing - State Capacity Building	5.75	-	-	5.75
1261	Access and Outreach Deaf Community - Local Agency	10.00	-	-	10.00
1262	Access and Outreach Deaf Community - Citizens	9.00	-	-	9.00
1410	Deaf and Hard of Hearing - Client Services	17.00	-	-	17.00
1420	Medical Eye Care Services	7.00	-	-	7.00
1451	Independent Living Services - Chore and Adjustment	72.58	-	-	72.58
1452	Independent Living Rehabilitation Services	14.00	-	-	14.00
1481	Vocational Rehabilitation - Employment	145.51	-	-	145.51
1482	Small Business Employment Services	12.00	-	-	12.00
1991	Federal Indirect Reserve	-	-	-	-
1992	Prior Year - Earned Revenue	-	-	-	-
Total FTE		312.84	-	-	312.84

Health and Human Services

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$8,173,207

Legislative Changes

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

89 Compensation Increase Reserve	\$56,583	R
Fund Code: N/A	\$14,570	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. In addition, funds are provided for salary increases for State agency teachers who are paid in accordance with the Statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1A, 36.12, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

90 State Retirement Contributions	\$8,200	R
Fund Code: N/A	\$12,300	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Total Legislative Changes	\$64,783	R
	\$26,870	NR

Total Position Changes

Revised Budget	\$8,264,860
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FY 2016-17

2016 Annotated Conference Committee Report

DHHS-BLIND & DEAF/HH-TRUST TELEC

Budget Code: 67425

	FY 2016-17
Beginning Unreserved Fund Balance	\$15,566,132
Recommended Budget	
Requirements	\$8,508,549
Receipts	\$11,875,837
Positions	28.00

Legislative Changes

Requirements:

Data Collection and Service Management Information System	\$0	R
Transfers funds to Budget Code 24410 for the implementation of a Data Collection and Service Management Information System to replace the current legacy system used by the Division of Services for the Deaf and Hard of Hearing. The project shall not proceed until the Business Case has been approved by the State Budget Director and the State Chief Information Officer. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12J.1)	\$750,000	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$750,000	NR
	0.00	

Receipts:

DHHS - Blind & Deaf/HH - Telecommunications Relay Receipts	\$0	R
	\$0	NR

FY 2016-17

Subtotal Legislative Changes

\$0 R

\$0 NR

Revised Total Requirements

\$9,258,549

Revised Total Receipts

\$11,875,837

Change in Fund Balance

\$2,617,288

Total Positions

28.00

Unappropriated Balance Remaining

\$18,183,420

Special Provisions

2016 Session: HB 1030

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

Section: 12J.1

Title: **DATA COLLECTION AND SERVICE MANAGEMENT INFORMATION SYSTEM**

Summary Authorizes the Department to use \$750,000 from Budget Code 67425 to develop and implement a data collection and service management information system to replace the current legacy system. The Department must obtain prior approval from the Office of State Budget and Management and the State Chief Information Officer. (H.B. 1140/S.B.885)

Section: 12J.2

Title: **CLARIFYING CHANGES/TELECOMMUNICATIONS RELAY SERVICE**

Summary Amends G.S. 62-157 to update the definition of "exchange access facility" to reflect current practice and clarifies the timeframe by which the Department of Health and Human Services may use the surcharge receipts to provide telecommunications devices to persons who are hearing/speech/visually impaired. (H.B. 1140/S.B. 885)

**Agriculture and Natural
and Economic
Resources
Section H**

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**Department of Agriculture and Consumer Services
Budget Code 13700**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$170,696,152
Receipts	\$53,740,379
Net Appropriation	\$116,955,773
 Legislative Changes	
Requirements	\$9,753,549
Receipts	\$180,719
Net Appropriation	\$9,572,830
 Revised Budget	
Requirements	\$180,449,701
Receipts	\$53,921,098
Net Appropriation	\$126,528,603

General Fund FTE

Enacted Budget	1,827.75
Legislative Changes	10.00
Revised Budget	1,837.75

Department of Agriculture and Consumer Services					
Budget Code 13700		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1011	General Administration	23.80	-	-	23.80
1012	Administrative Services	29.00	-	-	29.00
1013	Public Affairs	4.00	-	-	4.00
1014	Human Resources	14.00	-	-	14.00
1017	Emergency Programs Division	18.00	-	-	18.00
1018	Internal Audit	3.00	-	-	3.00
1019	IT Services	20.00	-	-	20.00
1020	Markets	95.00	-	-	95.00
1027	Property and Construction	8.00	-	-	8.00
1040	Agronomic Services	57.00	-	-	57.00
1050	Federal - State Agricultural Statistics	17.00	-	-	17.00
1070	Commercial Feed and Pet Food	22.00	-	-	22.00
1080	Commercial Fertilizer Analysis	7.00	-	-	7.00
1090	Pesticide Control and Analysis	52.80	-	-	52.80
1100	Food, Drug, and Cosmetic Analysis	116.00	-	-	116.00
1120	Structural Pest	19.00	-	-	19.00
1130	Veterinary Services	138.00	1.00	-	139.00
1140	Meat and Poultry Inspection	119.00	-	-	119.00
1150	Weights and Measures Inspection	18.00	-	-	18.00
1160	Gasoline and Oil Inspection	74.00	-	-	74.00
1175	Seed and Fertilizer	24.00	-	-	24.00
1180	Plant Protection	62.75	-	-	62.75
1190	Research Stations - Operating	167.00	-	-	167.00
11S7	NC Forest Service - Linville Gorge - ARRA	-	-	-	-
1210	Distribution of USDA Donations	47.00	-	-	47.00
1510	NC Forest Service	567.60	9.00	-	576.60
1530	NC Forest Service - Dare Bomb Range	13.00	-	-	13.00
1535	NC Forest Service - Young Offenders Program	17.00	-	-	17.00
1610	NC Forest Service - Federal Grants	32.60	-	-	32.60
1611	Soil and Water Conservation	42.20	-	-	42.20
1990	Reserves and Transfers	-	-	-	-
1991	Indirect Cost - Reserve	-	-	-	-
Total FTE		1,827.75	10.00	-	1,837.75

Agriculture and Consumer Services

GENERAL FUND

FY 16-17

\$116,955,773

Total Budget Enacted 2015 Session

Legislative Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve	\$1,115,617	R
Fund Code: N/A	\$371,872	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

2 State Retirement Contributions	\$193,461	R
Fund Code: N/A	\$290,192	NR

Increases the State’s contribution for members of the Teachers’ and State Employees’ Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Forest Service

3 Firefighting Equipment	\$3,000,000	NR
Fund Code: 1510		

Provides \$3.0 million in nonrecurring funding to purchase an airplane and heavy equipment to be used for firefighting. The revised net appropriation to the Forest Service in FY 2016-17 is \$39.7 million.

4 DuPont State Forest Positions \$629,335 R

Fund Code: 1510 9.00

Provides additional funding to the Forest Service to support 9 positions and associated operating expenses at DuPont State Forest. The revised net appropriation to the Forest Service in FY 2016-17 is \$39.7 million.

5 Forest Development Fund \$75,000 NR

Fund Code: 1990

Provides nonrecurring funding to supplement the Forest Development Fund. These funds are in addition to the funding provided from forest product assessments and will be used for hardwood or soft-hardwood forestation projects. The total funding available in the Forest Development Fund for FY 2016-17 is \$1.8 million. The revised net appropriation to the Fund is \$75,000.

(S.L. 2016-123, Sec. 6.6, Measurability Assessments/Budget Tech. Corr., amends this item to change the fund code from 1510 to 1990.)

Marketing

6 International Marketing \$500,000 NR

Fund Code: 1020

Provides \$500,000 in nonrecurring funding for international marketing of North Carolina agricultural products. The revised net appropriation provided to the Marketing Division is \$8.7 million.

7 New Market Opportunities

Fund Code: 1020

Budgets the cash balance of \$180,719 transferred from the Swine Waste fund (23704-2730) to the Marketing Division to identify new market opportunities for agricultural and silvicultural producers related to products that producers currently hold, produce, or are capable of producing. The funds are available for activities including identifying new markets, identifying barriers to market entry, catalyzing efforts to accelerate and ease market participation, educating local extension officers, and creating quality assurance mechanisms for products and service providers. The revised net appropriation to the Marketing Division is \$8.7 million.

(This item also appears in the Agriculture and Consumer Services special fund section on page H-8.)

Reserves and Transfers

8 Tobacco Trust Fund \$1,120,000 NR

Fund Code: 1990

Provides \$1.1 million in additional nonrecurring funding to the Tobacco Trust Fund. The revised net appropriation provided to the Trust Fund in FY 2016-17 is \$4.1 million, of which \$2.1 million is nonrecurring. (S.L. 2016-94, Sec. 13.3)

9 Ag Development and Farmland Preservation Trust Fund - Military Buffers**Fund Code:** 1990

\$1,000,000 NR

Provides \$1.0 million in nonrecurring funding to the Trust Fund for military buffers. The revised net appropriation to the Trust Fund in FY 2016-17 is \$3.6 million. (H.B. 1140/S.B. 885)

10 Eastern 4-H Center**Fund Code:** 1990

\$300,000 NR

Provides nonrecurring funding to support the Eastern 4-H Center. The revised net appropriation provided to the Center through the Department in FY 2016-17 is \$300,000.

11 Association of Agricultural Fairs**Fund Code:** 1990

\$300,000 NR

Provides a nonrecurring grant to the Association of Agricultural Fairs. The revised net appropriation to the Association is \$300,000.

12 Healthy Food Small Retailers**Fund Code:** 1990

\$250,000 NR

Provides \$250,000 in nonrecurring funds to increase the availability of fresh agricultural products in food deserts located in the State. The revised net appropriation for food deserts in FY 2016-17 is \$250,000. (S.L. 2016-94, Sec. 13.4)

(S.L. 2016-123, Sec. 6.3, Measurability Assessments/Budget Tech. Corr., allows the Department to use up to 10% of the funds for administration.)

Soil and Water**13 Agricultural Water Resources Assistance Program (AgWRAP)****Fund Code:** 1611

\$500,000 NR

Provides \$500,000 in nonrecurring funds to supplement existing cost-share funding for AgWRAP. The revised net appropriation in FY 2016-17 is \$1.5 million.

14 Agricultural Water Resources Assistance Program (AgWRAP)**Fund Code:** 1611

Reallocates \$150,000 in recurring funding from AgWRAP cost-share grants to directly support technical assistance and administration of the program. The revised net appropriation in FY 2016-17 is \$1.5 million. (H.B. 1140/S.B. 885)

Veterinary Services**15 Animal Shelter Support Program****Fund Code:** 1130

(\$150,000) R

Reduces funding for the Animal Shelter Support Fund. The revised net appropriation for the Fund is \$100,000.

Agriculture and Consumer Services

16 Animal Welfare Position \$77,353 R

Fund Code: 1130

1.00

Provides funding to support 1 new position in the Animal Welfare Section of the Veterinary Services Division. This position will be responsible for providing consultative services to animal shelters regarding their operations. The revised net appropriation to the Veterinary Services Division is \$10.1 million. (H.B. 1140/S.B. 885)

Total Legislative Changes **\$1,865,766 R**

\$7,707,064 NR

Total Position Changes 10.00

Revised Budget **\$126,528,603**

DACS Soil & Water Conservation

Budget Code: 23704

	FY 2016-17
Beginning Unreserved Fund Balance	\$15,878,001
Recommended Budget	
Requirements	\$10,105,835
Receipts	\$9,677,478
Positions	1.00

Legislative Changes

Requirements:

Swine Waste (2730)

Transfers all remaining cash balance in the Swine Waste fund to the Marketing Division (13700-1020) for agricultural and silvicultural new market opportunities. The fund will be closed following the transfer of the remaining funds in FY 2016-17.

	\$0	R
	\$180,719	NR
	0.00	

(This item also appears in the Agriculture and Consumer Services section on page H-5.)

Subtotal Legislative Changes

	\$0	R
	\$180,719	NR
	0.00	

Receipts:

Swine Waste (2730)

Transfers all remaining cash balance in the Swine Waste fund to the Marketing Division (13700-1020) for agricultural and silvicultural new market opportunities. The fund will be closed following the transfer of the remaining funds in FY 2016-17.

	\$0	R
	\$0	NR

Subtotal Legislative Changes

	\$0	R
	\$0	NR

2016 Annotated Conference Committee Report

FY 2016-17

Revised Total Requirements	\$10,286,554
Revised Total Receipts	\$9,677,478
Change in Fund Balance	(\$609,076)
Total Positions	1.00

Unappropriated Balance Remaining	\$15,268,925
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Special Provisions

2016 Session: HB 1030

Department: Agriculture and Consumer Services

Section: 13.1

Title: **SPAY/NEUTER PROGRAM ELIGIBILITY**

Summary Amends G.S. 19A-63(a)(1) to change the eligibility requirements for the Spay/Neuter Program as follows:

- 1) Removing the requirement that non-profit organizations contract with a local veterinarian to perform spay/neuter procedures; and,
- 2) Allowing individuals who currently qualify for a public assistance program administered by the Department of Health and Human Services to automatically qualify for the Program.

Section: 13.3

Title: **FUTURE FARMERS OF AMERICA PILOT PROGRAM**

Summary Earmarks \$120,000 of the funds provided to the Tobacco Trust Fund to Future Farmers of America (FFA) programs in the following schools:

- \$60,000 - Southern Guilford High School in Guilford County
- \$12,000 - Mountain Heritage High School in Yancey County
- \$12,000 - Madison High School in Madison County
- \$12,000 - Central Haywood High School in Haywood County
- \$12,000 - Pisgah High School in Haywood County
- \$12,000 - Tuscola High School in Haywood County

The Tobacco Trust Fund Commission must report on the activities and associated expenditure of these funds to the Chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources (Joint ANER Oversight Committee) and the Fiscal Research Division (FRD) as part of its annual report required by G.S. 143-722(a).

Section: 13.4

Title: **HEALTHY FOOD SMALL RETAILER PROGRAM**

Summary Creates a program focused on alleviating food deserts. Funds may be used to reimburse small retailers up to \$25,000 each for purchasing equipment necessary to offer nutrient dense foods. This section also requires any retailer receiving reimbursement to accept, or apply to accept, Supplemental Nutrition Assistance Program (SNAP) benefits and Special Supplemental Nutrition Program for Women, Infants, and Children benefits. The Department of Agriculture and Consumer Services (DACS) must report on the activities of the program to the Joint ANER Oversight Committee and FRD by October 1, 2017.

(S.L. 2016-123, Section 6.3, Measurability Assessments/Budget Tech. Corr., allows the Department to use up to \$25,000 of the funds appropriated to the program for administration.)

2016 Session: HB 805

Department: Agriculture and Consumer Services

Section: 6.3

Title: **BUDGET CHANGE: ADMINISTRATIVE COSTS FOR THE HEALTHY FOOD SMALL RETAILERS PROGRAM**

Summary Amends S.L. 2016-94, Sec. 13.4, 2016 Appropriations Act, by allowing DACS to use up to 10% of the funds appropriated for administration of the healthy food small retailer program.

Section: 6.6

Title: **TECHNICAL CHANGE: FUND CODE FOR FOREST DEVELOPMENT FUND**

Summary Amends S.L. 2016-94, 2016 Appropriations Act, to change the fund code reference for the Forest Development Fund from 1510 to 1990.

**Department of Labor
Budget Code 13800**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$32,285,798
Receipts	\$16,463,563
Net Appropriation	\$15,822,235
Legislative Changes	
Requirements	\$238,426
Receipts	(\$60,004)
Net Appropriation	\$298,430
Revised Budget	
Requirements	\$32,524,224
Receipts	\$16,403,559
Net Appropriation	\$16,120,665

General Fund FTE

Enacted Budget	383.25
Legislative Changes	(1.00)
Revised Budget	382.25

Department of Labor		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13800		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1120	Administrative Services	3,300,717	1,793,979	1,506,738	-	-	-	3,300,717	1,793,979	1,506,738
1210	Research and Information Technology	575,962	513,805	62,157	-	-	-	575,962	513,805	62,157
1310	Boiler Inspection Division	2,221,914	2,221,914	-	-	-	-	2,221,914	2,221,914	-
1320	Elevator Inspection Division	4,479,528	4,479,528	-	-	-	-	4,479,528	4,479,528	-
1330	Mine and Quarry Inspection Division	346,492	-	346,492	-	-	-	346,492	-	346,492
1331	Federal Mine Safety and Health Act	150,045	150,045	-	-	-	-	150,045	150,045	-
1340	Wage and Hour Division	2,084,225	-	2,084,225	-	-	-	2,084,225	-	2,084,225
1345	Employment Discrimination Bureau	575,992	-	575,992	-	-	-	575,992	-	575,992
1350	Occupational Health and Safety Administration	7,042,380	3,545,034	3,497,346	(120,008)	(60,004)	(60,004)	6,922,372	3,485,030	3,437,342
1351	Review Commission	252,723	-	252,723	-	-	-	252,723	-	252,723
1352	OSHA - State Funds	7,224,694	-	7,224,694	-	-	-	7,224,694	-	7,224,694
1353	OSHA - Federal Funds	1,246,216	1,246,216	-	-	-	-	1,246,216	1,246,216	-
1358	Bureau of Consultative Services	1,447,420	1,302,678	144,742	-	-	-	1,447,420	1,302,678	144,742
1360	OSHA/BLS Statistical Program	254,253	127,127	127,126	-	-	-	254,253	127,127	127,126
1991	Indirect Costs - Reserve	1,083,237	1,083,237	-	-	-	-	1,083,237	1,083,237	-
Department-wide Items										
N/A	Compensation Reserve	-	-	-	270,459	N/A	270,459	270,459	N/A	270,459
N/A	State Retirement Contributions	-	-	-	87,975	N/A	87,975	87,975	N/A	87,975
Total		\$32,285,798	\$16,463,563	\$15,822,235	\$238,426	(\$60,004)	\$298,430	\$32,524,224	\$16,403,559	\$16,120,665

Department of Labor					
Budget Code 13800		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1120	Administrative Services	41.239	-	-	41.239
1210	Research and Information Technology	5.090	-	-	5.090
1310	Boiler Inspection Division	24.000	-	-	24.000
1320	Elevator Inspection Division	46.000	-	-	46.000
1330	Mine and Quarry Inspection Division	4.600	-	-	4.600
1331	Federal Mine Safety and Health Act	1.400	-	-	1.400
1340	Wage and Hour Division	31.000	-	-	31.000
1345	Employment Discrimination Bureau	7.960	-	-	7.960
1350	Occupational Health and Safety Administration	89.517	(1.00)	-	88.517
1351	Review Commission	3.000	-	-	3.000
1352	OSHA - State Funds	96.876	-	-	96.876
1353	OSHA - Federal Funds	9.916	-	-	9.916
1358	Bureau of Consultative Services	18.654	-	-	18.654
1360	OSHA/BLS Statistical Program	4.000	-	-	4.000
1991	Indirect Costs - Reserve	-	-	-	-
Total FTE		383.252	(1.00)	-	382.252

Labor

GENERAL FUND

FY 16-17
\$15,822,235

Total Budget Enacted 2015 Session

Legislative Changes

Reserve for Salaries and Benefits

17 Compensation Increase Reserve

\$202,844 R
 \$67,615 NR

Fund Code: N/A

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

18 State Retirement Contributions

\$35,190 R
 \$52,785 NR

Fund Code: N/A

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Occupational Safety and Health (OSH) Division

19 Vacant Position Elimination

(\$60,004) R
 -1.00

Fund Code: 1350

Eliminates 2 Safety Compliance Officer I positions (60013080 and 60013109) that have been vacant for more than 2 years. Funding for each of these positions is evenly split between net General Fund and federal receipts, so each of these positions is a net appropriation reduction of 0.5 FTE. The revised net appropriation for the OSH Division in FY 2016-17 is \$10.9 million.

Total Legislative Changes	\$178,030	R
	\$120,400	NR
Total Position Changes	-1.00	
Revised Budget	\$16,120,665	

Special Provisions

2016 Session: HB 1030

Department: Labor

Section:

Title: **No Special Provisions**

Summary

**Department of Environmental Quality
Budget Code 14300**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$158,146,952
Receipts	\$75,717,343
Net Appropriation	\$82,429,609
Legislative Changes	
Requirements	\$22,807,076
Receipts	\$3,040,000
Net Appropriation	\$19,767,076
Revised Budget	
Requirements	\$180,954,028
Receipts	\$78,757,343
Net Appropriation	\$102,196,685

General Fund FTE

Enacted Budget	1,229.64
Legislative Changes	(4.00)
Revised Budget	1,225.64

Department of Environmental Quality					
Budget Code 14300		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1125	DENR - Coal Ash Management	25.00	-	-	25.00
1130	Regional Field Offices Support Services	49.89	-	-	49.89
1140	Administrative Services	88.92	(1.00)	-	87.92
1315	Marine Fisheries - Administration	29.40	-	-	29.40
1320	Marine Fisheries - Research and Management	119.30	2.00	-	121.30
1325	Marine Fisheries - Law Enforcement	88.30	-	-	88.30
1460	WIF - Water Infrastructure	8.00	-	-	8.00
1490	Water Supply Protection	65.00	-	-	65.00
1495	Shellfish Sanitation	25.00	-	-	25.00
1610	LWS - Nat. Res. Planning and Construction	8.30	-	-	8.30
1615	Div of Env Assistance and Cust Service (DEACS)	35.75	-	-	35.75
1620	Division of Water Resources Water Planning	33.00	-	-	33.00
1625	Coastal Management	49.00	-	-	49.00
1635	Div of Water Res - Lab Serv Water Sciences Sect	29.50	-	-	29.50
1660	Groundwater Protection	13.00	-	-	13.00
1665	Groundwater Storage Tanks - Leaking	29.05	-	-	29.05
1671	Underground Storage Tanks - Compliance, Insp	65.35	-	-	65.35
1685	State Revolving Fund	-	-	-	-
1690	Water Resources - Control	140.50	-	-	140.50
1695	Water Resources - Permit Fee	52.00	-	-	52.00
1705	Water Resources - Albemarle/Pamlico Sounds	13.00	-	-	13.00
1710	Water Resources - EPA Grant	2.00	-	-	2.00
1720	Water Resources - Non-Point Source	23.50	-	-	23.50
1725	Wetlands-Program Development	3.50	-	-	3.50
1730	Land Resources-Administration	3.25	-	-	3.25
1735	Geological Survey	12.52	-	-	12.52
1740	Land Quality	58.77	-	-	58.77
1749	DENR-Energy Office	6.67	(2.00)	-	4.67
1760	Solid Waste Management	122.17	-	-	122.17
1770	Air Quality Control	30.00	-	-	30.00
1910	Reserves and Transfers	-	-	-	-
1940	Federal-Special-Indirect	-	-	-	-
N/A	Undesignated	-	(3.00)	-	(3.00)
Total FTE		1,229.64	(4.00)	-	1,225.64

Environmental Quality

GENERAL FUND

FY 16-17

\$82,429,609

Total Budget Enacted 2015 Session

Legislative Changes

Reserve for Salaries and Benefits

20 Compensation Increase Reserve	\$586,945	R
Fund Code: N/A	\$195,648	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

21 State Retirement Contributions	\$101,524	R
Fund Code: N/A	\$152,286	NR

Increases the State’s contribution for members of the Teachers’ and State Employees’ Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Department-wide

22 Salary Reserve	(\$306,998)	R
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Fund Code: N/A

Reduces the salary reserve available to the Department by \$306,998. The revised net appropriation for salaries across the Department is \$31.7 million.

23 Public Information Officer (PIO) Positions (\$214,500) R

Fund Code: N/A -3.00

Eliminates 3 PIO positions and associated operating costs. The Department has the discretion to identify the 3 PIO positions to eliminate. The revised net appropriation provided to the Department for PIO salaries and benefits is \$456,244.

Administrative Services

24 Vacant Position (\$87,861) R

Fund Code: 1140 -1.00

Eliminates a vacant Attorney II position (60035027). The revised net appropriation to the Administrative Services Division in FY 2016-17 is \$6.5 million.

Energy Office

25 Vacant Positions (\$147,949) R

Fund Code: 1749 -2.00

Eliminates a vacant Environmental Senior Specialist position (65017957) and a vacant Engineer position (65020656). The revised net appropriation to the Energy Office is \$1.9 million.

26 NC State Energy Center

Fund Code: 1749 \$200,000 NR

Provides an additional \$200,000 in nonrecurring funds to the NC State Energy Center. The revised net appropriation to the Center in FY 2016-17 is \$600,000.

Marine Fisheries

27 Oyster Sanctuaries

Fund Code: 1320 \$1,030,000 NR

Provides additional nonrecurring funding to support a network of oyster sanctuaries. The revised net appropriation provided for oyster sanctuaries in FY 2016-17 is \$1,380,000.

28 Shellfish Positions

Fund Code: 1320 \$149,000 R
2.00

Provides funding for 2 new positions and associated operating expenses in Marine Fisheries. The positions are provided to accelerate shellfish industry growth in the State and will focus on shellfish production and recycling activities. The revised net appropriation for Marine Fisheries in FY 2016-17 is \$15.5 million.

29 Shellfish Rehabilitation

Fund Code: 1320 \$300,000 NR

Provides additional funding for cultch planting. The revised net appropriation for cultch planting in FY 2016-17 is \$1.2 million. (H.B. 1140/S.B. 885)

Environmental Quality

30 Crab Pot Cleanup

Fund Code: 1320

\$100,000 NR

Provides \$100,000 in nonrecurring funds for a crab pot cleanup pilot project to be managed by North Carolina Sea Grant. The revised net appropriation for crab pot cleanup is \$100,000. (S.L. 2016-94, Sec. 14.18)

31 Marine Patrol

Fund Code: 1325

\$150,000 NR

Provides additional nonrecurring funding for the Marine Patrol to be used for fuel and equipment purchases necessary for an increase in operations of the patrol. The revised net appropriation provided to Marine Patrol in FY 2016-17 is \$4.2 million.

Waste Management

32 Mercury Pollution Cash Balance

Fund Code: 1760

(\$2,540,000) NR

Budgets a nonrecurring transfer of the cash balance in the Mercury Pollution Prevention Account (24300-2119) in FY 2016-17 for the following purposes:

- \$2.5 million to reduce the net appropriation for the Division of Waste Management in FY 2016-17, and
- \$500,000 in requirements and receipts to continue the Mercury Switch Removal program until June 30, 2017.

The revised net appropriation for the Division of Waste Management in FY 2016-17 is \$870,303. (S.L. 2016-94, Sec. 14.1)

(This item also appears in the Environmental Quality special fund section on page H-25.)

Water Infrastructure

33 State Grant Program Expansion

Fund Code: 1460

\$18,798,981 NR

Provides additional nonrecurring funds for State water and wastewater infrastructure grants. The revised net appropriation to the Division of Water Infrastructure for water and wastewater grants is \$33.8 million. (S.L. 2016-94, Sec. 14.20 and 14.20A)

Water Resources

34 In-Situ Technologies

Fund Code: 1620

\$1,300,000 NR

Provides \$1.3 million to study alternative in-situ water treatment strategies and implement trials of these strategies. The revised net appropriation for the Division of Water Resources is \$12.8 million. (S.L. 2016-94, Sec. 14.13(e))

(A related item appears in the Education section of the Conference Committee Report. See page F-46, item 60.)

Total Legislative Changes	\$80,161	R
	\$19,686,915	NR
Total Position Changes		-4.00
Revised Budget	\$102,196,685	

DENR - Special

Budget Code: 24300

	FY 2016-17
Beginning Unreserved Fund Balance	\$26,347,556
Recommended Budget	
Requirements	\$91,809,530
Receipts	\$89,744,151
Positions	226.65

Legislative Changes

Requirements:

Inspection and Maintenance Fees (I&M) - Continuation Review Restoration (2338)

\$2,000,000 R

Restores the recurring I&M fee transfer to support the Division of Air Quality following a continuation review. The FY 2016-17 transfer budgeted for the Division is \$2 million.

\$0 NR
0.00

(A related item appears in the Transportation section of the Conference Committee Report. See page K-12, item 22.)

Mercury Pollution Prevention Account (2119)

\$0 R

Transfers any remaining cash balance available in the Mercury Pollution Prevention Account to the Division of Waste Management in FY 2016-17. The remaining cash balance is estimated to be \$3.0 million. \$2.5 million of the cash balance is provided to support the Division of Waste Management, with the remaining cash balance provided to continue the Mercury Switch Removal program until June 30, 2017. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 14.1)

\$3,040,000 NR
0.00

(This item also appears in the Environmental Quality section on page H-23. Two related items appear in the Transportation section of the Conference Committee Report. See page K-12, item 22, and page K-16, item 27.)

FY 2016-17

Subtotal Legislative Changes	\$2,000,000	R
	\$3,040,000	NR
	0.00	

Receipts:

Inspection and Maintenance Fees (I&M) - Continuation Review Restoration (2338)	\$2,000,000	R
Restores the recurring I&M fee transfer to support the Division of Air Quality following a continuation review. The FY 2016-17 transfer budgeted for the Division is \$2 million.	\$0	NR
Mercury Pollution Prevention Account (2119)	\$0	R
Adopts Department's recommendation to not restore vehicle title fee receipts provided to the program following a continuation review. Therefore, no additional receipts will be deposited in the fund and the fund will be closed effective June 30, 2017.	\$0	NR

Subtotal Legislative Changes	\$2,000,000	R
	\$0	NR

Revised Total Requirements	\$96,849,530
Revised Total Receipts	\$91,744,151
Change in Fund Balance	(\$5,105,379)
Total Positions	226.65

Unappropriated Balance Remaining	\$21,242,177
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Reserve for Air Quality - Fuel Tax

Budget Code: 24301

	FY 2016-17
Beginning Unreserved Fund Balance	\$1,401,900
Recommended Budget	
Requirements	\$2,249,400
Receipts	\$2,079,445
Positions	93.70

Legislative Changes

Requirements:

Water and Air Quality Account - Continuation Review Restoration (2334)	\$7,299,805	R
Restores the recurring motor fuels tax transfer to the Water and Air Quality Account. The revised requirements for the Division of Air Quality from the motor fuels tax transfer is \$7.3 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 14.3)	\$0	NR
	0.00	

(A related item appears in the Transportation section of the Conference Committee Report. See page K-12, item 22.)

Subtotal Legislative Changes	\$7,299,805	R
	\$0	NR
	0.00	

Receipts:

Water and Air Quality Account - Continuation Review Restoration (2334)	\$7,299,805	R
Restores the recurring motor fuels tax transfer to the Water and Air Quality Account. The revised receipts for the Division of Air Quality from the motor fuels tax transfer is \$7.3 million.	\$0	NR

Subtotal Legislative Changes	\$7,299,805	R
	\$0	NR

FY 2016-17

Revised Total Requirements	\$9,549,205
Revised Total Receipts	\$9,379,250
Change in Fund Balance	(\$169,955)
Total Positions	93.70

Unappropriated Balance Remaining	\$1,231,945
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DENR - Commercial LUST Cleanup

Budget Code: 64305

	FY 2016-17
Beginning Unreserved Fund Balance	\$83,615,036
Recommended Budget	
Requirements	\$45,431,546
Receipts	\$14,628,396
Positions	11.20

Legislative Changes

Requirements:

Commercial Leaking Underground Storage Tank (LUST) Fund - Continuation Review Restoration (6370)

\$16,200,000 R

Restores the recurring motor fuels tax transfer to the Commercial LUST Fund. The amount transferred to the Fund in FY 2016-17 is approximately \$800,000 more than the amount transferred in FY 2015-16. The revised net appropriation remains \$0, but total annual receipts available to the program are approximately \$23.4 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 14.5)

\$0 NR
0.00

(A related item appears in the Transportation section of the Conference Committee Report. See page K-12, item 22.)

Subtotal Legislative Changes

\$16,200,000 R

\$0 NR
0.00

Receipts:

Commercial Leaking Underground Storage Tank (LUST) Fund - Continuation Review Restoration (6370)

\$16,200,000 R

Restores the recurring motor fuels tax transfer to the Commercial LUST Fund. The amount transferred to the Fund in FY 2016-17 is approximately \$800,000 more than the amount

\$0 NR

FY 2016-17

transferred in FY 2015-16. The revised net appropriation remains \$0, but total receipts available to the program in FY 2016-17 are approximately \$23.4 million.

Subtotal Legislative Changes	\$16,200,000	R
	\$0	NR

Revised Total Requirements	\$61,631,546
Revised Total Receipts	\$30,828,396
Change in Fund Balance	(\$30,803,150)
Total Positions	11.20

Unappropriated Balance Remaining	\$52,811,886
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Special Provisions

2016 Session: HB 1030

Department: Environmental Quality

Section: 14.1

Title: **MERCURY SWITCH SUNSET MODIFICATION**

Summary Repeals the Mercury Switch Removal program and the Mercury Pollution Prevention Fund on June 30, 2017. The cash balance remaining in the Fund on June 30, 2017 will be transferred to the Division of Waste Management (14300-1760).

(S.L. 2016-94, Section 35.3, 2016 Appropriations Act, eliminates the transfer of the \$0.50 per vehicle title fee to the Fund. The fee is redirected to the Highway Fund.)

Section: 14.3

Title: **AIR AND WATER QUALITY ACCOUNT FUNDING**

Summary Reallocates motor fuel excise tax revenue provided to the Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund (Commercial Fund) and the Water and Air Quality Account. Funding for the Commercial Fund will increase from 59.4% to 62.5% of total revenue. Funding for the Water and Air Quality Account will decrease from 31.3% to 28.1% of total revenue

Section: 14.5

Title: **RISK-BASED MANAGEMENT ACTIONS PREAPPROVAL**

Summary Allows the Department to use up to \$500,000 of the funds available in the Commercial Fund annually to remediate lower-risk petroleum release sites. (H.B. 1140/S.B. 885)

Section: 14.8

Title: **COASTAL RECREATIONAL FISHING LICENSES CONFORMING CHANGE**

Summary Amends G.S. 113-174.1, Coastal Recreational Fishing Licenses, to correct a reference to "For Hire Blanket" licenses and to remove a reference that had been repealed by S.L. 2013-360, Sec.14.8(p), 2013 Appropriations Act. (H.B. 1140/S.B. 885)

Section: 14.9

Title: **MARINE PATROL/SHELLFISH SANITATION EQUIPMENT SALES**

Summary Authorizes the Division of Marine Fisheries (DMF) to sell select aircraft and water vessels and to use the sale proceeds to purchase replacement equipment for Marine Patrol. The Division is required to report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources (Joint ANER Oversight Committee) and the Fiscal Research Division (FRD) on the use of the proceeds. (H.B. 1140/S.B. 885)

Section: 14.11

Title: **PROMOTE SHELLFISH INDUSTRY**

Summary Amends Article 16 of G.S. 113, Cultivation of Shellfish.

Subsection (a) changes the month in which rental fees are due for renewal shellfish cultivation leases from April to July.

Subsections (b) and (c) require that notice of the transfer shellfish cultivation leases with water column leases and perpetual franchises with water column leases be directed to the Secretary of the Department of Environmental Quality (DEQ) rather than the public.

Subsection (c) also increases the length of time a demonstration or research aquaculture development project can be authorized from 2 to 5 years and increases the value of shellfish sales from \$1,000 to \$5,000 before the sales are considered to be commercial production.

Subsections (d) through (f) direct the University of North Carolina at Chapel Hill (UNC-CH) to convene a stakeholder working group to study and advance efforts to ecologically restore and achieve economic stability of the shellfish aquaculture industry. UNC-CH is required to report the findings of study to the Joint ANER Oversight Committee, FRD, and the Environmental Review Commission (ERC) no later than December 31, 2018.

Subsection (g) clarifies that DMF is to transfer funding without a contract to the University of North Carolina at Wilmington for oyster brood stock development.

(S.L. 2016-123, Section 6.1, Measurability Assessments/Budget Tech. Corr., amends this section to clarify that water column leases may only be transferred with the superincumbent perpetual franchise or the superincumbent bottom lease.)

Section: 14.12

Title: **CLARIFY AQUATIC WEED CONTROL FUNDING ELIGIBILITY**

Summary Amends G.S. 143-215.73F, Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund, to expand the allowable uses of the aquatic weed control funding from State lakes to all State waters and to permit the use of the Historic Roanoke Island Fund to provide the cost-share for the dredging of the access canal around the Roanoke Island Festival Park. (H.B. 965/S.B. 769)

Section: 14.13

Title: **DEVELOPMENT OF NEW COMPREHENSIVE NUTRIENT MANAGEMENT REGULATORY FRAMEWORK**

Summary Creates a nutrient management regulatory framework.

Subsection (a) establishes the necessity of comprehensive nutrient management strategies in certain river basins and finds that the costs and benefits of those strategies should be periodically reviewed and the strategies should be revised to reflect the latest science, new technologies, and to provide proper credit for stakeholders who are proactive in managing their nutrient impacts.

Subsection (b) terminates the Jordan Lake demonstration project and directs that any unspent funds authorized for the project be returned to the Clean Water Management Trust Fund.

Subsection (c) provides \$500,000 annually until FY 2021-22 (i.e., \$3 million over 6 years) to UNC-CH to perform a comprehensive study of current nutrient management strategies (specifically including in situ strategies) and a compilation and review of all water quality data in Jordan and Falls Lake collected both by DEQ and various stakeholder groups. The study is also to review and analyze best practices from other states to determine if they would be effective in North Carolina.

Subsection (d) amends the existing rule review and readoption process in the North Carolina Administrative Procedures Act to provide a process and timeline applicable only to the Jordan Lake and Falls Lake nutrient strategies. The Environmental Management Commission (EMC) is directed to hold public hearings in all portions of the Jordan and Falls watersheds and to convene a stakeholder working group no later than December 31, 2016 to provide input on EMC's review and revision of the Jordan Lake and Falls Lake nutrient strategies. By March 15, 2019, EMC is directed to recommend revisions to the nutrient strategies and begin the rule readoption for those nutrient strategies.

Subsection (e) directs DEQ to study alternative technologies for in situ approaches to nutrient management in Falls Lake and Jordan Lake, specifically including algaecide and phosphorus-locking treatments. If the Department decides to proceed with a trial of those technologies, the provision authorizes the use of \$1.3 million to contract for the trial by December 31, 2016. The Department's report on its study and possible trial is due the Joint ANER Oversight Committee, EMC, and FRD by March 1, 2018, with an interim report due by March 1, 2017.

Subsection (f) provides a hold-harmless clause for cities and counties in the Jordan Lake watershed with respect to impervious surface added in those areas between July 26, 2013 (the effective date of the delay in the Jordan Lake rules enacted in the 2013 Appropriations Act) and December 31, 2020. Those surfaces will not be counted in the calculation of nutrient loading used to calculate the nutrient reduction targets for those counties and cities.

Subsection (g) directs DEQ to study whether nutrient impact fees should be calculated and imposed on a sub-basin-specific basis in Falls and Jordan Lakes. Currently, the Department sets fees for nitrogen and phosphorus for the Jordan Lake and Falls Lake watersheds as a whole, no matter where in those watersheds a project is located. The Department is also directed to study and report on which watersheds, river basins, or river sub-basins are adequately served by private mitigation banks and provide a recommendation as to whether State-provided mitigation services should be discontinued in those areas. The report is due to ERC, the Joint ANER Oversight Committee, and FRD by December 1, 2016.

Subsection (h) places a hold on future effective dates for rules in the Jordan Lake and Falls Lake nutrient strategies that have not yet taken effect. For Jordan Lake, the hold applies to rules taking effect between the effective date of this act and October 15, 2019. For Falls Lake, the hold applies to rules taking effect between the effective date of this act and October 15, 2022.

Subsection (i) directs the Department to allow any stormwater treatment practice approved for

nutrient Total Maximum Daily Load (TMDL) compliance in the Chesapeake Bay watershed to be used for TMDL compliance in the Jordan Lake and Falls Lake watersheds at the same pollutant removal efficiency value (essentially, the “credit” for purposes of nutrient removal that a person using the practice receives). The Department is directed to report to ERC, the Joint ANER Oversight Committee, and FRD by December 1, 2016 whether it finds that it will be necessary to create State-specific nutrient removal efficiency values for these practices, and, if so, to incorporate those State-specific values into the Jordan Lake and Falls Lake rule reoption required by subsection (d).

Subsection (j) provides that the termination of the Jordan Lake demonstration project is effective when the Department terminated the contract or July 1, 2016, whichever is earlier. (H.B. 1006)

Section: 14.15

Title: **RIGHT OF ENTRY CLARIFICATION**

Summary Amends Article 17 of G.S. 113, Administrative Provisions; Regulatory Authority of Marine Fisheries Commission and Department, by adding a new section to clarify that the Secretary of DEQ and a local health director have the delegable right of entry to enforce certain shellfish sanitation requirements. (H.B. 1140/S.B. 885)

Section: 14.18

Title: **CRAB POT REMOVAL PILOT PROGRAM**

Summary Directs DMF to use \$100,000 for a pilot project to be administered by North Carolina Sea Grant for the removal of derelict crab pots in State waters. North Carolina Sea Grant is required to submit a report on the pilot program results to the Chairs of the Joint ANER Oversight Committee and FRD by May 1, 2017.

Section: 14.19

Title: **SHALLOW DRAFT FUND SPONSORED COASTAL MANAGEMENT POSITION**

Summary Amends G.S. 143-215.73F, Shallow Draft Navigation Channel Dredging and Aquatic Weed Fund, to allow up to \$99,000 from the Fund to be used for a beach and inlet management project manager position on a recurring basis. (H.B. 965/S.B. 769)

Section: 14.20

Title: **WASTEWATER DISCHARGE MITIGATION**

Summary Earmarks \$2.1 million of funds provided to the Division of Water Infrastructure for water and wastewater grants as follows:

Subsection (a) provides \$400,000 to a municipality located in a Tier 3 county that had a population of less than 100 in the 2010 census and that has been issued Notices of Violation from both a county and the Division of Water Resources for illegal wastewater discharges.

Subsection (b) provides \$1 million to Duplin County to be used to correct on-site school sewer compliance issues at B.F. Grady Elementary School.

Subsection (c) provides \$700,000 to the Town of Fontana Dam to be used for wastewater system upgrades.

Section: 14.20A

Title: **REGIONAL WATER AND SEWER AUTHORITY FUNDING**

Summary Earmarks \$14.5 million of funds provided to the Division of Water Infrastructure (DWI) for water and wastewater grants to a Regional Water and Sewer Authority (Authority) to be created that interconnects water systems serving Rockingham and Guilford counties. If the Authority is not created by June 30, 2017, then the funds revert to the General Fund. If the Authority is created prior to June 30, 2017, then DWI is required to transfer the funds to the Authority. Funds allocated to the Authority that remain unspent by June 30, 2020 will revert to the General Fund.

Section: 14.21

Title: **CATALOG OF WETLAND AND STREAM MITIGATION CREDITS**

Summary Directs the Division of Mitigation Services, in conjunction with the Department of Transportation, to catalog all wetland and stream mitigation credits in State ownership. The Division is directed to report the catalog to the ERC, the Joint ANER Oversight Committee, and the Joint Legislative Transportation Oversight Committee by December 31, 2016.

Section: 14.22

Title: **BEACH NOURISHMENT STUDIES**

Summary Subsection (a) directs the Division of Coastal Management and the Department to study the physical, economic, storm mitigation, and public safety benefits of out-of-state coastal storm damage reduction and beach nourishment projects. The Department is directed to report its findings to the Joint ANER Oversight Committee by November 1, 2016.

Subsection (b) directs the county tax offices of Brunswick, New Hanover, Pender, Onslow, Carteret, Hyde, Dare, and Currituck to determine the mailing/ownership address for individuals who own property within the county but whose primary residence exists outside of the county. Each county tax office is directed to report its findings to the Department and the Joint ANER Oversight Committee by November 1, 2016.

Subsection (c) directs the Department of Commerce to quantify the contribution to the State economy from the coastal economy as comprised by 20 coastal counties. The Department is directed to report its findings to DEQ and the Joint ANER Oversight Committee by November 1, 2016.

Subsection (d) directs DEQ to include studies required by this section as appendices to the Beach and Inlet Management Plan required under Section 14.6(b)(4) of S.L. 2015-241, 2015 Appropriations Act.

Section: 14.23

Title: **EXTEND THE SUNSET ON ALLOWABLE TERM LENGTH OF CERTAIN STATE REVOLVING FUND LOANS**

Summary Makes a conforming change to the type of project referenced in G.S. 159G-40(b)(2) based on changes enacted in Section 14.13 of S.L. 2015-241, 2015 Appropriations Act. This section also extends the period in which certain loans may receive extended maturity dates, if approved by the Local Government Commission, from July 1, 2016 to October 1, 2016.

2016 Session: HB 805

Department: Environmental Quality

Section: 6.1

Title: **TECHNICAL CHANGE: SHELLFISH CULTIVATION LEASES**

Summary Amends S.L. 2016-94, Sec. 14.11, 2016 Appropriations Act, to clarify that water column leases may only be transferred with the superincumbent perpetual franchise or the superincumbent bottom lease.

**Wildlife Resources Commission
Budget Code 14350**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$73,137,043
Receipts	\$63,113,547
Net Appropriation	\$10,023,496
Legislative Changes	
Requirements	\$305,608
Receipts	\$0
Net Appropriation	\$305,608
Revised Budget	
Requirements	\$73,442,651
Receipts	\$63,113,547
Net Appropriation	\$10,329,104

General Fund FTE

Enacted Budget	648.58
Legislative Changes	0.00
Revised Budget	648.58

Wildlife Resources Commission		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14350		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1101	Administrative Policy and Regulation	1,150,321	1,154,139	(3,818)	-	-	-	1,150,321	1,154,139	(3,818)
1111	Controller's Office	798,871	717,647	81,224	-	-	-	798,871	717,647	81,224
1112	Customer Support Services	1,728,538	1,688,197	40,341	-	-	-	1,728,538	1,688,197	40,341
1113	Information Technology	2,070,109	1,672,062	398,047	-	-	-	2,070,109	1,672,062	398,047
1114	Watercraft Registration and Titling	1,017,689	951,741	65,948	-	-	-	1,017,689	951,741	65,948
1115	Purchasing and Distribution	502,696	459,982	42,714	-	-	-	502,696	459,982	42,714
1116	Budget, Planning, and Audit	226,407	181,341	45,066	-	-	-	226,407	181,341	45,066
1117	Human Resources	470,654	416,603	54,051	-	-	-	470,654	416,603	54,051
1121	Enforcement	22,469,599	16,874,633	5,594,966	-	-	-	22,469,599	16,874,633	5,594,966
1131	Wildlife Education	516,218	429,622	86,596	-	-	-	516,218	429,622	86,596
1132	Pisgah Education Center	755,703	642,457	113,246	-	-	-	755,703	642,457	113,246
1133	Centennial Education Center	513,914	427,208	86,706	-	-	-	513,914	427,208	86,706
1134	Outer Banks Education Center	805,331	668,276	137,055	-	-	-	805,331	668,276	137,055
1135	Publications	1,082,221	1,225,191	(142,970)	-	-	-	1,082,221	1,225,191	(142,970)
1141	Inland Fisheries	9,114,280	7,701,613	1,412,667	-	-	-	9,114,280	7,701,613	1,412,667
1142	Habitat Conservation and Aquatic NGME	1,069,676	944,309	125,367	-	-	-	1,069,676	944,309	125,367
1151	Wildlife Management	5,542,318	4,886,189	656,129	-	-	-	5,542,318	4,886,189	656,129
1152	Wildlife Diversity Program	1,773,847	1,512,902	260,945	-	-	-	1,773,847	1,512,902	260,945
1154	Waterfowl Program	253,994	239,180	14,814	-	-	-	253,994	239,180	14,814
1161	Engineering Water Access	7,827,741	8,167,133	(339,392)	-	-	-	7,827,741	8,167,133	(339,392)
1162	Engineering and Facilities Management	629,980	541,623	88,357	-	-	-	629,980	541,623	88,357
1166	Gamelands Operations and Maintenance	12,793,440	9,665,369	3,128,071	-	-	-	12,793,440	9,665,369	3,128,071
1171	Wildlife Appropriations	23,496	1,946,130	(1,922,634)	100,000	-	100,000	123,496	1,946,130	(1,822,634)
Department-wide Items										
N/A	Compensation Reserve	-	-	-	155,803	N/A	155,803	155,803	N/A	155,803
N/A	State Retirement Contributions	-	-	-	49,805	N/A	49,805	49,805	N/A	49,805
Total		\$73,137,043	\$63,113,547	\$10,023,496	\$305,608	\$0	\$305,608	\$73,442,651	\$63,113,547	\$10,329,104

Wildlife Resources Commission					
Budget Code 14350		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1101	Administrative Policy and Regulation	8.50	-	-	8.50
1111	Controller's Office	10.00	-	-	10.00
1112	Customer Support Services	15.00	-	-	15.00
1113	Information Technology	19.00	-	-	19.00
1114	Watercraft Registration and Titling	14.00	-	-	14.00
1115	Purchasing and Distribution	7.00	-	-	7.00
1116	Budget, Planning, and Audit	2.00	-	-	2.00
1117	Human Resources	6.00	-	-	6.00
1121	Enforcement	245.00	-	-	245.00
1131	Wildlife Education	5.50	-	-	5.50
1132	Pisgah Education Center	8.00	-	-	8.00
1133	Centennial Education Center	6.00	-	-	6.00
1134	Outer Banks Education Center	9.00	-	-	9.00
1135	Publications	10.00	-	-	10.00
1141	Inland Fisheries	74.00	-	-	74.00
1142	Habitat Conservation and Aquatic NGME	9.00	-	-	9.00
1151	Wildlife Management	43.00	-	-	43.00
1152	Wildlife Diversity Program	17.00	-	-	17.00
1154	Waterfowl Program	1.00	-	-	1.00
1161	Engineering Water Access	58.54	-	-	58.54
1162	Engineering and Facilities Management	6.00	-	-	6.00
1166	Gamelands Operations and Maintenance	75.04	-	-	75.04
1171	Wildlife Appropriations	-	-	-	-
Total FTE		648.58	-	-	648.58

Wildlife Resources Commission

GENERAL FUND

FY 16-17

\$10,023,496

Total Budget Enacted 2015 Session

Legislative Changes

Reserve for Salaries and Benefits

35 Compensation Increase Reserve	\$116,852	R
Fund Code: N/A	\$38,951	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

36 State Retirement Contributions	\$19,922	R
Fund Code: N/A	\$29,883	NR

Increases the State’s contribution for members of the Teachers’ and State Employees’ Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Reserves

37 Outdoor Heritage Council	\$100,000	NR
Fund Code: 1171		

Provides nonrecurring funds for the Outdoor Heritage Council. The revised net appropriation for the Council is \$100,000. (S.L. 2016-94, Sec. 14A.1)

Total Legislative Changes	\$136,774	R
	\$168,834	NR
Total Position Changes		
Revised Budget	\$10,329,104	

Motor Boat Interest Bearing

Budget Code: 24352

	FY 2016-17
Beginning Unreserved Fund Balance	\$2,964,686
Recommended Budget	
Requirements	\$14,598,086
Receipts	\$14,598,086
Positions	0.00

Legislative Changes

Requirements:

Continuation Review Restoration (2371)	\$2,085,067	R
Restores the recurring motor fuels tax transfer to the Boating Safety Account to support activities related to boating and water safety, including education and waterway marking, boating access areas, and maintenance of shallow draft inlets. The revised requirements for the Boating Safety Account are \$16.7 million for FY 2016-17.	\$0	NR
	0.00	

(A related item appears in the Transportation section of the Conference Committee Report. See page K-12, item 22.)

Subtotal Legislative Changes	\$2,085,067	R
	\$0	NR
	0.00	

Receipts:

Continuation Review Restoration (2371)	\$2,085,067	R
Restores the recurring motor fuels tax transfer to the Boating Safety Account to support activities related to boating and water safety, including education and waterway marking, boating access areas, and maintenance of shallow draft inlets. The revised receipts for the Boating Safety Account are \$16.7 million for FY 2016-17.	\$0	NR

2016 Annotated Conference Committee Report

FY 2016-17

Subtotal Legislative Changes	\$2,085,067	R
	\$0	NR

Revised Total Requirements	\$16,683,153
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Revised Total Receipts	\$16,683,153
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Change in Fund Balance	\$0
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Total Positions	0.00
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Unappropriated Balance Remaining	\$2,964,686
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Special Provisions

2016 Session: HB 1030

Department: Wildlife Resources Commission

Section: 14.14

Title: **MATTAMUSKEET LODGE TRANSFER AND ADVANCE PLANNING**

Summary Reallocates Mattamuskeet Lodge and surrounding properties from the Department of Natural and Cultural Resources (DNCR) to the Wildlife Resources Commission (WRC) and amends G.S. 121-9.1, Lake Mattamuskeet Lodge Preservation, accordingly. This section also directs WRC to use up to \$200,000 in FY 2016-17 to undertake advance planning for the completion of the Lodge renovations and to explore opportunities for a public-private partnership for the future operation of the Lodge. WRC is required to report to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources and the Fiscal Research Division by January 15, 2017.

Section: 14A.1

Title: **OUTDOOR HERITAGE ADVISORY COUNCIL**

Summary Amends G.S. 143B-344.60, Outdoor Heritage Advisory Council, by increasing the number of General Assembly appointments from 6 to 8 members. The initial term of the 2 new members will be 2 years starting in October 1, 2016. The Council will now consist of 13 members.

**Department of Commerce
Budget Code 14600**

(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$122,704,438
Receipts	\$65,108,310
<hr/>	
Net Appropriation	\$57,596,128

Legislative Changes

Requirements	\$20,255,411
Receipts	\$0
<hr/>	
Net Appropriation	\$20,255,411

Revised Budget

Requirements	\$142,959,849
Receipts	\$65,108,310
<hr/>	
Net Appropriation	\$77,851,539

General Fund FTE

Enacted Budget	413.31
Legislative Changes	7.00
<hr/>	
Revised Budget	420.31

Department of Commerce		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14600		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1111	Administrative Services	3,137,481	1,841,448	1,296,033	1,600,000	-	1,600,000	4,737,481	1,841,448	2,896,033
1113	Science and Technology	3,324,164	-	3,324,164	-	-	-	3,324,164	-	3,324,164
1114	Economic Development Partnership	17,994,549	-	17,994,549	1,012,543	-	1,012,543	19,007,092	-	19,007,092
1120	Management Information System Division	856,063	-	856,063	-	-	-	856,063	-	856,063
1130	Labor and Economic Analysis	6,627,028	5,781,499	845,529	-	-	-	6,627,028	5,781,499	845,529
1477	NC BRIM - Operating	737,528	737,528	-	-	-	-	737,528	737,528	-
1520	Commerce Graphics	256,053	98,406	157,647	3,750,000	-	3,750,000	4,006,053	98,406	3,907,647
1531	Business and Industry Development	59,007	58,907	100	-	-	-	59,007	58,907	100
1533	NC Business Service Center	350,544	350,544	-	-	-	-	350,544	350,544	-
1534	Rural Economic Development Division	15,231,543	-	15,231,543	6,225,020	-	6,225,020	21,456,563	-	21,456,563
1541	International Trade Division	17,153	17,153	-	-	-	-	17,153	17,153	-
1551	Travel Inquiry Section	494,634	75,358	419,276	-	-	-	494,634	75,358	419,276
1552	Welcome Centers	2,018,203	3,600	2,014,603	-	-3,600	-	2,018,203	3,600	2,014,603
1561	Wanchese - Marine Industrial Park	534,357	534,357	-	-	-	-	534,357	534,357	-
1581	Industrial Finance Center	8,144,049	-	8,144,049	-	-	-	8,144,049	-	8,144,049
1620	Community Assistance	1,509,208	81,298	1,427,910	336,000	-	336,000	1,845,208	81,298	1,763,910
1631	Community Development Block Grants	44,440,959	43,803,459	637,500	-	-	-	44,440,959	43,803,459	637,500
1632	Community Assistance - NSP	589,290	589,290	-	-	-	-	589,290	589,290	-
1831	Industrial Commission Administration	15,532,310	11,135,463	4,396,847	-	-	-	15,532,310	11,135,463	4,396,847
1912	Reserves and Transfers	850,315	-	850,315	7,100,000	-	7,100,000	7,950,315	-	7,950,315
Department-wide Items										
N/A	Compensation Reserve	-	-	-	244,980	N/A	244,980	244,980	N/A	244,980
N/A	State Retirement Contributions	-	-	-	79,688	N/A	79,688	79,688	N/A	79,688
Undesignated Items										
		-	-	-	(92,820)	-	(92,820)	(92,820)	-	(92,820)
Total		\$122,704,438	\$65,108,310	\$57,596,128	\$20,255,411	\$0	\$20,255,411	\$142,959,849	\$65,108,310	\$77,851,539

Department of Commerce					
Budget Code 14600		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Administrative Services	39.42	2.00	-	41.42
1113	Science and Technology	3.00	-	-	3.00
1114	Economic Development Partnership	-	-	-	-
1120	Management Information System Division	6.00	-	-	6.00
1130	Labor and Economic Analysis	75.06	-	-	75.06
1477	NC BRIM - Operating	9.00	-	-	9.00
1520	Commerce Graphics	3.00	-	-	3.00
1531	Business and Industry Development	-	-	-	-
1533	NC Business Service Center	6.00	-	-	6.00
1534	Rural Economic Development Division	3.00	5.00	-	8.00
1541	International Trade Division	-	-	-	-
1551	Travel Inquiry Section	5.00	-	-	5.00
1552	Welcome Centers	43.75	-	-	43.75
1561	Wanchese - Marine Industrial Park	3.00	-	-	3.00
1581	Industrial Finance Center	5.75	-	-	5.75
1620	Community Assistance	19.00	-	-	19.00
1631	Community Development Block Grants	22.80	-	-	22.80
1632	Community Assistance - NSP	10.20	-	-	10.20
1831	Industrial Commission Administration	159.33	-	-	159.33
1912	Reserves and Transfers	-	-	-	-
Total FTE		413.31	7.00	-	420.31

Commerce

GENERAL FUND

FY 16-17

\$57,596,128

Total Budget Enacted 2015 Session

Legislative Changes

Reserve for Salaries and Benefits

38 Compensation Increase Reserve	\$183,735	R
Fund Code: N/A	\$61,245	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

39 State Retirement Contributions	\$31,875	R
Fund Code: N/A	\$47,813	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Department-wide

40 Salary Reserve	(\$92,820)	R
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Fund Code: 1111, 1534, 1552, and 1620

Eliminates salary reserve Department-wide. These funds will affect Administrative Services (1111), the Rural Economic Development Division (1534), Welcome Centers (1552), and Community Assistance (1620). The revised net appropriation for salaries across the Department in FY 2016-17 is \$9.5 million.

Administration

41 General Operating Funds \$600,000 R

Fund Code: 1111

Provides additional funds to the Administrative Services Division for operating support, including travel. The revised net appropriation to the Administrative Services Division is \$2.9 million. (H.B. 1140/S.B. 885)

42 International Recruiting Coordination Office \$250,000 R

Fund Code: 1111

Provides funds to be used for the new International Recruiting Coordination Office within the Department of Commerce as set out in new G.S. 143B-432.1. Recurring funds are provided to hire up to 2 full-time employees to fulfill the duties of the Office and nonrecurring funds are provided for entertainment, hosting, screening, and gift-procurement expenses of the Office. The revised net appropriation to the Administrative Services Division is \$2.9 million. (S.L. 2016-94, Sec. 15.10)

\$750,000 NR
2.00

Commerce Graphics

43 Domestic and International Advertising \$3,750,000 NR

Fund Code: 1520

Provides funds for marketing and advertising of the State designed to promote economic development, business development, and job recruitment. The revised net appropriation to Commerce Graphics is \$3.9 million. (H.B. 1090/S.B. 826, S.B. 840, S.L. 2016-94, Sec. 15.9)

Economic Development Partnership of NC (EDPNC)

44 Food Manufacturing Task Force \$78,000 R

Fund Code: 1114

Provides an additional \$78,000 to the Economic Development Partnership of North Carolina (EDPNC) to support a position dedicated to attracting and maintaining existing food processing entities. The revised net appropriation to EDPNC is \$19.0 million. (H.B. 1090/S.B. 826, H.B. 1140/S.B. 885)

45 Tourism Advertising \$1,000,000 NR

Fund Code: 1114

Provides additional funding to EDPNC for tourism advertising. In accordance with G.S. 143B-431.01.(b), these funds are restricted for a research-based, comprehensive marketing program directed toward consumers in key markets most likely to travel to North Carolina and not for ancillary activities, such as statewide branding and business development marketing. The revised net appropriation to EDPNC is \$19.0 million. (H.B. 1140/S.B. 885)

46 Economic Development Partnership of NC (\$338,998) R
Fund Code: 1114 \$273,541 NR

Reduces recurring funding for EDPNC by \$338,998 and provides nonrecurring funds of \$273,541. The revised net appropriation to EDPNC is \$19.0 million.

(S.L. 2016-123, Sec. 6.5(a), Measurability Assessments/Budget Tech. Corr., amended this item to reduce recurring appropriations to EDPNC by \$65,437.)

Reserves

47 Regional Wastewater Funding \$6,000,000 NR
Fund Code: 1912

Provides funds to be used for the construction of public infrastructure and improvements to public wastewater facilities, including pretreatment facilities. These funds are for economic development related to addressing the needs of pharmaceutical, biotech processing, telecommunications, and other industries located in the Johnston County Research and Training Zone established pursuant to Chapter 153A of the General Statutes. The revised net appropriation for the project is \$6.0 million.

48 Regional Food Commercialization Centers \$100,000 NR
Fund Code: 1912

Provides nonrecurring funding for consulting services that provide training and support for food companies and regional food commercialization centers. The revised net appropriation for this purpose is \$100,000.

49 Broughton Hospital \$500,000 NR
Fund Code: 1912

Provides funds to continue an economic development project related to the reuse of the Broughton Hospital campus, including funding for consulting and mothballing efforts at the facility. The revised net appropriation for the Broughton project is \$500,000. (S.L. 2016-94, Sec. 15.5)

Rural Economic Development Division

50 Downtown Revitalization Grants \$5,725,020 NR
Fund Code: 1534

Provides \$5,725,020 for grants-in-aid for downtown revitalization projects in 56 municipalities in North Carolina. The revised net appropriation to all programs in the Rural Economic Development Division is \$23.9 million. (S.L. 2016-94, Sec. 15.12)

(S.L. 2016-123, Sec. 6.2(a), Measurability Assessments//Budget Tech. Corr., amended this item to clarify that the total revised net appropriation to all programs in the Rural Economic Development Division is \$23.9 million.)

51 Broadband Infrastructure Funds

Fund Code: 1534

\$500,000 NR

Provides grant funds for 2 broadband infrastructure initiatives: a project in Cumberland County and a project in Stokes County. The revised net appropriation to all programs in the Rural Economic Development Division is \$23.9 million. (S.L. 2016-94, Sec. 15.11)

(S.L. 2016-123, Sec. 6.2(a), Measurability Assessments//Budget Tech. Corr., amended this item to clarify that the total revised net appropriation to all programs in the Rural Economic Development Division is \$23.9 million.)

52 Community Planners For Prosperity Zones

\$336,000 R

Fund Code: 1620

5.00

Provides funding for new community planner positions to be responsible for assisting communities in the Prosperity Zones with economic development strategic planning, land-use planning, downtown economic revitalization, and technical support. The revised net appropriation to all programs in the Rural Economic Development Division is \$23.9 million. (H.B. 1090/S.B. 826, S.L. 2016-94, Sec. 15.8)

(S.L. 2016-123, Sec. 6.2(a), Measurability Assessments//Budget Tech. Corr., amends this item to clarify that the total revised net appropriation to all programs in the Rural Economic Development Division is \$23.9 million.)

(S.L. 2016-123, Sec. 6.2(b), Measurability Assessments//Budget Tech. Corr., amends this item to change the fund code from 1534 to 1620.)

Workforce Solutions

53 Apprenticeship Program

Fund Code: 1912

\$500,000 NR

Provides additional funding for the NCWorks Apprenticeship Program to increase apprenticeship opportunities across the State. The revised net appropriation for this program in FY 2016-17 is \$1.4 million. (H.B. 1140/S.B. 885)

Total Legislative Changes

\$1,047,792 R

\$19,207,619 NR

Total Position Changes

7.00

Revised Budget

\$77,851,539

Special Provisions

2016 Session: HB 1030

Department: Commerce

Section: 15.1

Title: **USE OF DEOBLIGATED CDBG AND FEDERAL FUNDS**

Summary Amends S.L. 2015-241, Sec. 15.6(b), 2015 Appropriations Act, to direct the use of certain deobligated Community Development Block Grant (CDBG) funds and surplus federal administrative funds:

Subsection (a) directs the Department of Commerce (Commerce) to use \$10.6 million of deobligated funds in the following ways:

- a) \$3.7 million for public facilities and public services for at-risk veterans;
- b) \$500,000 for existing CDBG programs that encounter cost overruns;
- c) \$750,000 for CDBG training to local governments;
- d) \$4.5 million to be transferred to the Department of Environmental Quality (DEQ) for water and sewer projects at public schools; and
- e) \$1.25 million for the State Broadband Plan in coordination with the Broadband Infrastructure Office at the Department of Information Technology.

Subsection (a) also limits the use of surplus federal administrative funds for program administration only if an equal amount of State matching funds are available.

Subsection (b) directs Commerce to report to the chairs of the Economic Development and Global Engagement (EDGE) Committee, the chairs of the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources (Joint ANER Oversight Committee), and the Fiscal Research Division (FRD) on the use of deobligated CDBG funds for the State Broadband Plan by February 1, 2017.

Subsection (c) directs Commerce to report to the Joint ANER Oversight Committee and FRD on the feasibility of using CDBG funds for the economic development of commercial oyster fisheries in coastal communities, in conjunction with the Division of Marine Fisheries (DMF) at DEQ, by February 1, 2017.

Subsection (d) directs Commerce to report to the Joint ANER Oversight Committee and FRD on the feasibility of using CDBG funds to provide funding and assistance for small food retailers operating in low-income areas of the State to improve access to healthy foods, in conjunction with the Department of Agriculture and Consumer Services (DACS), by February 1, 2017. (H.B. 1140/S.B. 885)

Section: 15.2

Title: **MODIFY DISBURSEMENT PROCESS FROM ECONOMIC DEVELOPMENT RESERVES**

Summary Amends G.S. 143B-437.63 and G.S. 143B-437.75 to modify the disbursement process for funds for the Job Development Investment Grant Program (JDIG) and the One North Carolina Fund (One NC) by removing the Office of State Budget and Management (OSBM) from the process. Funds will be directly appropriated to Commerce to disburse.

Section: 15.5

Title: **EXTEND REPORTING DEADLINE FOR BROUGHTON HOSPITAL STUDY**

Summary Amends S.L. 2014-100, Sec. 15.20, 2014 Appropriations Act, to extend the final deadline for a report studying economic development at the Broughton Hospital campus from June 30, 2015 to June 30, 2016 and shifts the responsibility for this report from the Department of Administration to Commerce. The section further directs Commerce to report on all expenditures associated with this project since inception to the Joint ANER Oversight Committee and FRD by February 1, 2017.

Section: 15.6

Title: **TRAVEL AND TOURISM BOARD CHANGES**

Summary Amends G.S. 143B-434.1, The North Carolina Travel and Tourism Board, to reduce the number of members serving on the North Carolina Travel and Tourism Board from 29 to 19 and modifies the appointing authorities. This section also modifies the appointing authorities for the Economic Development Accountability and Standards Committee. (S.B. 486)

Section: 15.7

Title: **ENCOURAGE INTER-TIER COOPERATION FOR JDIG**

Summary Amends G.S. 143B-437.53 and G.S. 143B-437.56A to establish that projects receiving JDIG funding that are located in multiple counties with different tier designations must meet the standards for the highest area designation, but will meet the disbursement percentage to the Utility Account for the location with the lowest area designation under certain conditions. (H.B. 1090/S.B. 826)

Section: 15.8

Title: **COMMUNITY PLANNERS AND PROSPERITY ZONES**

Summary Amends S.L. 2014-18, Sec. 4.1, North Carolina Economic Development Partnership Modifications, to require Commerce to have at least one employee from the Rural Economic Development Division Main Street and Rural Planning Center physically located in each office in each of the Collaboration for Prosperity Zones. (H.B. 1090/S.B. 826)

Section: 15.9

Title: **JOB AND ECONOMIC DEVELOPMENT MARKETING AND ADVERTISING EXPANSION**

Summary Directs Commerce to use \$2.5 million in appropriated funds for domestic marketing and advertising and \$1.25 million in appropriated funds for international marketing and advertising and to report on the use of these funds to the EDGE Committee and FRD initially by March 1, 2017 and with a final report on October 1, 2017. (H.B. 1090/S.B. 826, S.B. 840)

Section: 15.10

Title: **INTERNATIONAL RECRUITING COORDINATION OFFICE**

Summary Amends Part 1 of Article 10 of G.S. 143B by adding new section G.S. 143B-432.2 that creates the International Recruiting Coordination Office within Commerce. The office will be primarily responsible for hosting international visitors and delegations considering the State as a business destination or for economic development investment or expansion. The Office shall report on all expenditures to the Chairs of the EDGE Committee, the Chairs of the Joint ANER Oversight Committee, and FRD by October 1 of each year.

Section: 15.11

Title: **BROADBAND FUNDING**

Summary Provides funding for broadband projects in two counties out of the funds appropriated to the Rural Economic Development Division (REDD) within Commerce.

Subsection (a) designates that \$250,000 shall be allocated to the Fayetteville Cumberland County Economic Development Corporation as a grant-in-aid to be used for economic development activities including a regional small business incubator utilizing the broadband initiative designed for communities in Tier 1 or 2 counties.

Subsection (b) designates that REDD shall allocate another \$250,000 to Stokes County for broadband Internet access in underserved areas.

Subsection (c) requires Commerce, in cooperation with the recipients, to report to FRD on this funding by October 1, 2017.

Section: 15.12

Title: **DOWNTOWN REVITALIZATION PROJECTS**

Summary Provides non-recurring grant-in-aid funding for downtown revitalization projects in municipalities across North Carolina out of the funds appropriated to REDD.

Subsection (a) directs REDD to allocate \$94,340 each to 53 specific municipalities to be used for downtown revitalization projects. These municipalities are Albemarle, Angier, Asheboro, Beulaville, Boone, Burgaw, Cherryville, Clemmons, Clinton, Clyde, Cornelius, Eden, Edenton, Elizabethtown, Fayetteville, Forest City, Gastonia, Greenville, Hickory, Hillsborough, Huntersville, Jacksonville, Jefferson, Kannapolis, Kernersville, King, Kinston, Laurinburg, Lumberton, Marion, Matthews, Mint Hill, Mocksville, Mooresville, Morehead City, Mt. Airy, Pleasant Garden, Raeford, Roanoke Rapids, Rockingham, Rocky Mount, Roxboro, Salisbury, Shelby, Southport, Statesville, Thomasville, Valdese, Wadesboro, Wake Forest, Washington, Wilkesboro, and Wilson.

Subsection (b) directs REDD to allocate \$500,000 to the Town of High Point, \$150,000 to the Town of Louisburg, \$50,000 to the Town of Wake Forest, and \$25,000 to the Town of Garner to be used for downtown revitalization projects.

2016 Session: HB 805

Department: Commerce

Section: 6.2

Title: **TECHNICAL CHANGE: RURAL ECONOMIC DEVELOPMENT DIVISION**

Summary Amends S.L. 2016-94, 2016 Appropriations Act, so that all items referring to the Rural Economic Development Division within Commerce will reflect that the revised net appropriation to that division is \$23.9 million and that an appropriation of \$336,000 in recurring funds for Community Planners for Prosperity Zones shall be allocated to Fund Code 1620 instead of Fund Code 1534.

Section: 6.5(a)

Title: **BUDGET CHANGE: ECONOMIC DEVELOPMENT PARTNERSHIP OF NORTH CAROLINA**

Summary Amends S.L. 2016-94, 2016 Appropriations Act, to reduce recurring appropriations to the Economic Development Partnership of North Carolina by \$65,437 and subsequently adjusts the revised net appropriation to Commerce to \$20,255,411.

Commerce

**Commerce State-Aid
Budget Code 14601**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$18,055,810
Receipts	\$0
<hr/>	
Net Appropriation	\$18,055,810
Legislative Changes	
Requirements	\$650,000
Receipts	\$0
<hr/>	
Net Appropriation	\$650,000
Revised Budget	
Requirements	\$18,705,810
Receipts	\$0
<hr/>	
Net Appropriation	\$18,705,810

General Fund FTE

Enacted Budget	0.00
Legislative Changes	0.00
<hr/>	
Revised Budget	0.00

Department of Commerce - State Aid		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14601		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1121	Biotechnology Center	13,600,338	-	13,600,338	-	-	-	13,600,338	-	13,600,338
1913	State Aid to Non-State Entities	4,455,472	-	4,455,472	650,000	-	650,000	5,105,472	-	5,105,472
Total		\$18,055,810	\$0	\$18,055,810	\$650,000	\$0	\$650,000	\$18,705,810	\$0	\$18,705,810

Department of Commerce - State Aid					
Budget Code 14601		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1121	Biotechnology Center	-	-	-	-
1913	State Aid to Non-State Entities	-	-	-	-
Total FTE		-	-	-	-

Commerce - State Aid

GENERAL FUND

	FY 16-17
Total Budget Enacted 2015 Session	\$18,055,810

Legislative Changes

High Point Market Authority

54 High Point Market Authority	\$400,000	R
Fund Code: 1913	\$200,000	NR

Provides an additional \$400,000 in recurring funds and \$200,000 in nonrecurring funds to the High Point Market Authority for marketing efforts, including expansion of the new application with Bluedot technology. The revised net appropriation for the High Point Market Authority is \$1.8 million.

Phoenix Hometown Hires

55 Phoenix Hometown Hires	\$50,000	NR
Fund Code: 1913		

Provides funding for Phoenix Hometown Hires, a nonprofit that assists clients with skills related to personal and professional development. The revised net appropriation to Phoenix Hometown Hires is \$50,000.

Total Legislative Changes	\$400,000	R
	\$250,000	NR
Total Position Changes		
Revised Budget	\$18,705,810	

Special Provisions

2016 Session: HB 1030

Department: Commerce - State Aid

Section:

Title: **No Special Provisions**

Summary

**Department of Natural and Cultural Resources
Budget Code 14800**

(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$196,635,052
Receipts	\$27,345,649
Net Appropriation	\$169,289,403

Legislative Changes

Requirements	\$14,784,124
Receipts	\$0
Net Appropriation	\$14,784,124

Revised Budget

Requirements	\$211,419,176
Receipts	\$27,345,649
Net Appropriation	\$184,073,527

General Fund FTE

Enacted Budget	1,713.01
Legislative Changes	9.10
Revised Budget	1,722.11

Department of Natural and Cultural Resources		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14800		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1110	Office of the Secretary	2,196,681	250	2,196,431	(68,186)	-	(68,186)	2,128,495	250	2,128,245
1115	LWS-CLEAN WATER MANAGEMENT TRUST	13,784,982	-	13,784,982	8,600,000	-	8,600,000	22,384,982	-	22,384,982
1116	NHP-ADMINISTRATION	450,000	-	450,000	314,726	-	314,726	764,726	-	764,726
1120	Administrative Services	7,099,276	78,739	7,020,537	-	-	-	7,099,276	78,739	7,020,537
1210	Archives and History - Administration	726,834	130,395	596,439	-	-	-	726,834	130,395	596,439
1220	Historical Publications	243,409	-	243,409	-	-	-	243,409	-	243,409
1230	Archives and Records	3,189,042	265,987	2,923,055	-	-	-	3,189,042	265,987	2,923,055
1241	State Historic Sites	7,148,747	620	7,148,127	350,000	-	350,000	7,498,747	620	7,498,127
1242	Tryon Palace - Historic Sites and Gardens	2,981,058	343,255	2,637,803	100,000	-	100,000	3,081,058	343,255	2,737,803
1243	State Capitol	341,838	200	341,638	-	-	-	341,838	200	341,638
1245	NC Maritime Museum	1,709,908	-	1,709,908	100,000	-	100,000	1,809,908	-	1,809,908
1250	Historic Preservation	1,318,750	81,413	1,237,337	-	-	-	1,318,750	81,413	1,237,337
1255	Historic Preservation - Federal	955,323	955,323	-	-	-	-	955,323	955,323	-
1260	Office of State Archaeology	1,618,983	107,740	1,511,243	469,269	-	469,269	2,088,252	107,740	1,980,512
1290	Western Office	214,595	8,040	206,555	-	-	-	214,595	8,040	206,555
1320	Museum of Art	6,695,142	514,106	6,181,036	334,877	-	334,877	7,030,019	514,106	6,515,913
1330	NC Arts Council	7,898,827	-	7,898,827	500,000	-	500,000	8,398,827	-	8,398,827
1340	NC Symphony	2,067,250	-	2,067,250	-	-	-	2,067,250	-	2,067,250
1355	NC Arts Council - Federal Funds	928,725	928,725	-	-	-	-	928,725	928,725	-
1410	State Library Services	4,482,960	29,181	4,453,779	200,000	-	200,000	4,682,960	29,181	4,653,779
1480	Statewide Library Programs and Grants	15,678,714	-	15,678,714	-	-	-	15,678,714	-	15,678,714
1495	State Library - Federal	4,406,063	4,406,063	-	-	-	-	4,406,063	4,406,063	-
1500	Museum of History	5,856,009	1,400	5,854,609	121,849	-	121,849	5,977,858	1,400	5,976,458
1680	North Carolina Division of Parks and Recreation	61,337,383	7,902,933	53,434,450	330,000	-	330,000	61,667,383	7,902,933	53,764,450
1760	North Carolina Museum of Natural Sciences	14,741,137	449,734	14,291,403	45,370	-	45,370	14,786,507	449,734	14,336,773
1805	North Carolina Zoological Park	18,487,130	7,953,306	10,533,824	(58,772)	-	(58,772)	18,428,358	7,953,306	10,475,052
1855	North Carolina Aquariums Fund	9,647,428	2,969,809	6,677,619	-	-	-	9,647,428	2,969,809	6,677,619
1991	Indirect Reserve	218,430	218,430	-	-	-	-	218,430	218,430	-
1992	Continuation Reserve	210,428	-	210,428	1,600,000	-	1,600,000	1,810,428	-	1,810,428
Department-wide Items										
N/A	Compensation Reserve	-	-	-	1,441,131	N/A	1,441,131	1,441,131	N/A	1,441,131
N/A	State Retirement Contributions	-	-	-	466,063	N/A	466,063	466,063	N/A	466,063
Undesignated Items										
		-	-	-	(62,203)	-	(62,203)	(62,203)	-	(62,203)
Total		\$196,635,052	\$27,345,649	\$169,289,403	\$14,784,124	\$0	\$14,784,124	\$211,419,176	\$27,345,649	\$184,073,527

Department of Natural and Cultural Resources					
Budget Code 14800		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Office of the Secretary	24.00	(1.00)	-	23.00
1115	LWS-CLEAN WATER MANAGEMENT TRUST	9.60	-	-	9.60
1116	NHP-ADMINISTRATION	5.00	4.10	-	9.10
1120	Administrative Services	33.45	-	-	33.45
1210	Archives and History - Administration	9.00	-	-	9.00
1220	Historical Publications	4.00	-	-	4.00
1230	Archives and Records	50.86	-	-	50.86
1241	State Historic Sites	125.80	-	-	125.80
1242	Tryon Palace - Historic Sites and Gardens	44.00	-	-	44.00
1243	State Capitol	6.00	-	-	6.00
1245	NC Maritime Museum	27.00	-	-	27.00
1250	Historic Preservation	18.50	-	-	18.50
1255	Historic Preservation - Federal	10.49	-	-	10.49
1260	Office of State Archaeology	16.76	3.00	-	19.76
1290	Western Office	2.00	-	-	2.00
1320	Museum of Art	116.05	4.00	-	120.05
1330	NC Arts Council	20.14	-	-	20.14
1340	NC Symphony	8.00	-	-	8.00
1355	NC Arts Council - Federal Funds	0.61	-	-	0.61
1410	State Library Services	64.00	-	-	64.00
1480	Statewide Library Programs and Grants	-	-	-	-
1495	State Library - Federal	13.00	-	-	13.00
1500	Museum of History	90.50	1.00	-	91.50
1680	North Carolina Division of Parks and Recreation	480.50	-	-	480.50
1760	North Carolina Museum of Natural Sciences	152.00	(1.00)	-	151.00
1805	North Carolina Zoological Park	263.25	(1.00)	-	262.25
1855	North Carolina Aquariums Fund	118.50	-	-	118.50
1991	Indirect Reserve	-	-	-	-
1992	Continuation Reserve	-	-	-	-
Total FTE		1,713.01	9.10	-	1,722.11

Natural and Cultural Resources

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$169,289,403

Legislative Changes

Reserve for Salaries and Benefits

56 Compensation Increase Reserve

\$1,080,848 R

Fund Code: N/A

\$360,283 NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

57 State Retirement Contributions

\$186,425 R

Fund Code: N/A

\$279,638 NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Department-wide

58 Salary Reserve

(\$62,203) R

Fund Code: N/A

Reduces salary reserve available to the Department by \$62,203. The revised net appropriation for salaries across the Department is \$65.7 million.

Historical Resources

59 Archaeology Research Center \$169,269 R

Fund Code: 1260 3.00

Provides the State Archaeology Research Center with 3 permanent, full-time positions to assist in surveying statewide archaeological resources, reviewing permit applications and construction plans that receive State or federal assistance, and issuing permits to individuals and groups for operations and salvage of land and sea properties in North Carolina. The revised net appropriation for the Office of State Archaeology is \$2.0 million. (H.B. 1140/S.B. 885)

60 Queen Anne's Revenge \$300,000 NR

Fund Code: 1260

Provides nonrecurring funds for archaeological work for the Queen Anne's Revenge conservation and excavation project. The revised net appropriation for the project in FY 2016-17 is \$300,000. (H.B. 1140/S.B. 885)

Land and Water Stewardship

61 Natural Heritage Program \$314,726 R

Fund Code: 1116 4.10

Restores funding and 4.10 positions for the Natural Heritage Program, which was reduced by \$314,726 in S.L. 2015-241. The revised net appropriation for the Program is \$764,726. (H.B. 1140/S.B. 885)

62 Clean Water Management Trust Fund (CWMTF) \$8,600,000 NR

Fund Code: 1115

Provides additional funding for CWMTF. The revised net appropriation for CWMTF is \$22.4 million.

Museum of Art

63 Museum of Art \$214,877 R

Fund Code: 1320 \$120,000 NR

Provides funding for 2 positions, a Media Services Coordinator and an Art Museum Assistant Curator, to support the museum's distance learning initiative. This item also provides funding for 2 Horticultural Technicians for the Museum Park. Lastly, this item provides \$120,000 in nonrecurring funds to match private funds for key collections in the East Building. The revised net appropriation for the Museum of Art is \$6.5 million.

Museum of Natural Sciences

64 Vacant Position (\$54,630) R
Fund Code: 1760 -1.00

Eliminates a Technology Support Analyst position (60035034) that has been vacant for more than 2 years at the North Carolina Museum of Natural Sciences. The revised net appropriation for the Museum is \$14.3 million.

65 Science Museum Grant Program \$100,000 NR
Fund Code: 1760

Provides additional funds to the North Carolina Science Museums Grant Program on a nonrecurring basis to support the competitive grant program. The revised net appropriation for the grant program is \$2.5 million. (S.L. 2016-94, Sec. 16.5)

NC Zoo

66 Vacant Position (\$58,772) R
Fund Code: 1805 -1.00

Eliminates a Plant Maintenance Supervisor I position (60033383) that has been vacant for more than 2 years at the North Carolina Zoo. The revised net appropriation for the Zoo is \$10.5 million.

North Carolina Arts Council

67 Grassroots Arts Program \$500,000 NR
Fund Code: 1330

Provides additional funding for the Grassroots Arts Program, which provides per capita based funding for arts programming to all 100 counties. The revised net appropriation for the Arts Council is \$8.4 million.

Office of the Secretary

68 Vacant Position (\$68,186) R
Fund Code: 1110 -1.00

Eliminates an Administrative Assistant III position (60035954) anticipated to be vacant July 1, 2016 due to retirement. The revised net appropriation for the Office of the Secretary is \$2.1 million.

Parks and Recreation

69 Parks and Recreation Trust Fund (PARTF) \$330,000 NR
Fund Code: 1680

Provides additional funding to PARTF for the Montford Point Marine Memorial in Jacksonville, NC. The revised net appropriation to PARTF is \$22.7 million in FY 2016-17. (S.L. 2016-94, Sec. 16.10)

Reserves

70 Advance Planning Funds

Fund Code: 1992

\$400,000 NR

Provides advance planning funds for a new visitor center at the Fort Fisher State Historic Site. The revised net appropriation for this project in FY 2016-17 is \$400,000.

71 Ingram Planetarium

Fund Code: 1992

\$50,000 NR

Provides a grant-in-aid to the Ingram Planetarium located in Sunset Beach, NC to support the facility and its functions. The revised net appropriation for the Ingram Planetarium is \$50,000.

72 Downtown Winston-Salem Museum

Fund Code: 1992

\$1,000,000 NR

Provides a grant to Forsyth County to support the consolidation of the Children's Museum of Winston-Salem and SciWorks into a facility to house both services. Total project costs are estimated to be \$25.0 million with the State providing a matching grant of \$1.0 million in FY 2016-17.

73 Grants-in-Aid

Fund Code: 1992

\$100,000 NR

Provides a \$50,000 grant-in-aid to each of the following entities: the Town of Fuquay-Varina for the Fuquay-Varina Arts Center and Dreams of Wilmington, Inc., a non-profit providing arts programming to youth in the Wilmington, NC area. The revised net appropriation for these entities is \$100,000.

74 Fair Bluff Community Library

Fund Code: 1992

\$50,000 NR

Provides a grant-in-aid to the Fair Bluff Community Library in Columbus County. The revised net appropriation to the Fair Bluff Community Library is \$50,000.

State Historic Sites

75 Tryon Palace

Fund Code: 1242

\$100,000 NR

Provides additional funding to Tryon Palace on a nonrecurring basis to support the facility and its functions. The revised net appropriation for Tryon Palace is \$2.7 million.

76 Brunswick Town

Fund Code: 1241

\$50,000 NR

Provides additional funds to Brunswick Town State historic site on a nonrecurring basis to support the facility and its functions. The revised net appropriation to State historic sites is \$7.5 million.

Natural and Cultural Resources

77 Fort Dobbs State Historic Site

Fund Code: 1241

\$150,000 NR

Provides additional funds to the Fort Dobbs State historic site on a nonrecurring basis to support the facility and its functions. The revised net appropriation to State historic sites is \$7.5 million.

78 Transportation Museum

Fund Code: 1241

\$150,000 NR

Provides additional funds to the Transportation Museum on a nonrecurring basis to support the facility and its functions. The revised net appropriation to the Transportation Museum is \$475,514.

State History Museums

79 Distance Learning Position

Fund Code: 1500

\$65,437 R

1.00

Provides additional recurring funding to support a Distance Learning Coordinator at the Museum of History. The revised net appropriation for the Museum of History is \$6.0 million.

(S.L. 2016-123, Sec. 6.5(b), Measurability Assessments//Budget Tech. Corr., added this item to the Conference Committee Report.)

80 Full-Time Positions

Fund Code: 1500

\$56,412 R

Provides funding to upgrade 5 positions at the Museum of History from 3/4-time to full-time.

- 60084000 - Museum Curator
- 60084019 - Museum Specialist
- 60083994 - Associate Museum Curator
- 60083975 - Artist Illustrator II
- 60084050 - Administrative Services Assistant V

The revised net appropriation for the Museum of History is \$6.0 million.

81 North Carolina Maritime Museum at Southport

Fund Code: 1245

\$100,000 NR

Provides additional funds to North Carolina Maritime Museum at Southport on a nonrecurring basis to support the facility and its functions. The revised net appropriation to the Maritime Museums is \$1.8 million.

State Library

82 Statewide Children's Digital Library

Fund Code: 1410

\$200,000 NR

Establishes a statewide children's digital library targeted to children from pre-K through 4th grade. Funding for this project will be used to purchase children's fiction materials including e-audio and e-books that will be accessible to all State-aid eligible public libraries in NC. The revised net appropriation for the State Library is \$20.3 million.

Total Legislative Changes	\$1,844,203	R
	\$12,939,921	NR
Total Position Changes		9.10
Revised Budget	\$184,073,527	

North Carolina Zoo Fund

Budget Code: 24814

FY 2016-17

Beginning Unreserved Fund Balance **\$936,579**

Recommended Budget

Requirements	\$0
Receipts	\$0
Positions	0.00

Legislative Changes

Requirements:

North Carolina Zoo Fund (2240)	\$405,955	R
Establishes a budget for repair and renovation projects at the North Carolina Zoo. The revised requirements for the Zoo Fund are \$1.5 million. (S.L. 2016-94, Sec. 16.6)	\$0	NR
	0.00	

Subtotal Legislative Changes	\$405,955	R
	\$0	NR
	0.00	

Receipts:

North Carolina Zoo Fund (2240)	\$1,500,000	R
Establishes a budget for the transfer of funds from the General Fund. The revised receipts for the Zoo Fund are \$1.5 million.	\$0	NR

Subtotal Legislative Changes	\$1,500,000	R
	\$0	NR

FY 2016-17

Revised Total Requirements	\$405,955
Revised Total Receipts	\$1,500,000
Change in Fund Balance	\$1,094,045
Total Positions	0.00

Unappropriated Balance Remaining	\$2,030,624
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North Carolina Aquariums Fund

Budget Code: 24816

	FY 2016-17
Beginning Unreserved Fund Balance	\$5,047,678
Recommended Budget	
Requirements	\$0
Receipts	\$0
Positions	0.00

Legislative Changes

Requirements:

North Carolina Aquarium Fund (2865)	\$2,800,000	
Establishes a budget for repair and renovation projects at the State aquariums and Jennette's Pier.	\$0	NR
This item also establishes a budget for the aquariums' debt service payment. The revised requirements for the Aquarium Fund are \$2.8 million. (S.L. 2016-94, Sec. 16.6)	0.00	
Subtotal Legislative Changes	\$2,800,000	R
	\$0	NR
	0.00	

Receipts:

North Carolina Aquariums Fund (2865)	\$2,800,000	
Establishes a budget for the transfer of funds from the General Fund. The revised receipts for the Aquarium Fund are \$2.8 million.	\$0	NR
Subtotal Legislative Changes	\$2,800,000	R
	\$0	NR

FY 2016-17

Revised Total Requirements	\$2,800,000
Revised Total Receipts	\$2,800,000
Change in Fund Balance	\$0
Total Positions	0.00

Unappropriated Balance Remaining	\$5,047,678
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Special Provisions

2016 Session: HB 1030

Department: Natural and Cultural Resources

Section: 16.2

Title: **SALVAGE OF ABANDONED SHIPWRECKS CLARIFICATION**

Summary Amends G.S. 121-25, License to Conduct Exploration, Recovery or Salvage Operations, to clarify that all photographs, video recordings, and other documentary materials of a derelict vessel or shipwreck in the custody of a North Carolina public agency are public records. (H.B. 1140/S.B. 885)

Section: 16.3

Title: **UMSTEAD ACT CONFORMING CHANGES**

Summary Amends G.S. 66-58, Government in Business (also known as the Umstead Act), by removing DEQ from the list of exemptions and adding State parks and aquariums to the list of exemptions for the sale of food, books, crafts, gifts, and other tourism-related items. This section also authorizes the North Carolina Zoological Park to lease a portion of the Zoo property to a private entity for the purpose of constructing and operating a hotel and related facilities. (H.B. 1140/S.B. 885)

Section: 16.3A

Title: **STATE PARKS LEGACY LODGING REQUIREMENTS**

Summary Directs the Department of Natural and Cultural Resources (DNCR) to report on its plans for the operation, maintenance, and renovation of legacy lodging facilities at Haw River and Hanging Rock State Parks. The report is due no later than December 1, 2016 to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources (Joint ANER Oversight Committee) and the Fiscal Research Division (FRD).

Section: 16.4

Title: **CLARIFY VENDING FACILITIES EXEMPTION**

Summary Amends G.S. 111-47.2, Operation of Vending Service on State Property, by allowing DNCR to operate, or contract for operation, food and vending services at State parks. This section does not apply to existing contracts for food and vending services entered into prior to July 1, 2016.

Section: 16.5

Title: **GRASSROOTS SCIENCE AMENDMENTS**

Summary Amends G.S. 143B-135.227, Grassroots Science Competitive Grant Program, by making the following changes to the grant program scheduled to begin in FY 2016-17:

- Renames the program to the NC Science Museums Grant Program,
- Allows for a 1-year transition period for existing grassroots science museums,
- Amends the eligibility requirement that all museums have to be a nonprofit by allowing all museums that received funding in FY 2015-16 to be eligible for the competitive program,
- Removes the 2-year requirement that a museum's mission statement must include language that shows the museum has a science or STEM based programming, and
- Allows the Department to use up to \$50,000 for a position to administer the program.

Section: 16.6

Title: **MODIFY ZOO AND AQUARIUM SPECIAL FUNDS**

Summary Amends G.S. 143B-135.209, North Carolina Zoo Fund, and G.S. 143B-135.188, North Carolina Aquariums, by increasing the amount of funds allowed to be transferred from the General Fund to the Zoo Special Fund and to the Aquariums Special Fund at the end of each fiscal year from \$1 million to \$1.5 million each. This section also clarifies that the Secretary of DNCR may approve repair and renovation projects paid from the special funds, provided that the funds have been appropriated and do not obligate the State to future recurring expenses. Lastly, this section adds a reporting requirement on the use of funds from the Aquariums Special Fund, similar to the existing reporting requirement for the Zoo Special Fund. The report is due annually no later than September 30 to the Joint ANER Oversight Committee and FRD. (H.B. 1140/S.B. 885)

Section: 16.7

Title: **PARKS AND RECREATION TRUST FUND ELIGIBILITY**

Summary Amends G.S. 143B-135.56(b)(1), Parks and Recreation Trust Fund (PARTF), to make State recreational forests eligible for funding from PARTF.

Section: 16.9

Title: **UPDATE SYMPHONY CONTRACT**

Summary Directs the North Carolina Symphony and the North Carolina Symphony Society, Inc., to review and update the contractual agreement used with all nonsymphony performers no later than October 1, 2016. The updated agreement is due to the Joint Legislative Commission on Governmental Operations by November 1, 2016, along with a summary of all changes made to the agreement as a result of the review.

Section: 16.10

Title: **MONTFORD POINT MEMORIAL FUNDS**

Summary Earmarks \$330,000 from PARTF to the City of Jacksonville for the completion of Phase II of the Montford Point Marine Memorial and deems the one-to-one PARTF match requirement to have been met by the City for its funding of Phase I of the Memorial.

2016 Session: HB 805

Department: Natural and Cultural Resources

Section: 6.4

Title: **BUDGET CHANGE: ADVANCE PLANNING FOR FORT FISHER**

Summary Amends S.L. 2016-94, 2016 Appropriations Act, to direct that funds appropriated to DNCR for advance planning of a new visitor center at Fort Fisher State Park be transferred to a capital budget code.

(Technical Correction: The advance planning funds were appropriated to Fort Fisher State Historic Site not Fort Fisher State Park, as Section 6.4 states.)

Section: 6.5(b)

Title: **BUDGET CHANGE: DISTANCE LEARNING COORDINATOR POSITION**

Summary Amends S.L. 2016-94, 2016 Appropriations Act, to provide \$65,437 in recurring funds to support a distance learning coordinator position at the North Carolina Museum of History. This section also revises the net appropriation to DNCR accordingly.

**Department of Natural and Cultural Resources -
Roanoke Island Commission
Budget Code 14802**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$823,384
Receipts	\$300,000
Net Appropriation	\$523,384
 Legislative Changes	
Requirements	\$0
Receipts	\$0
Net Appropriation	\$0
 Revised Budget	
Requirements	\$823,384
Receipts	\$300,000
Net Appropriation	\$523,384

General Fund FTE

Enacted Budget	0.00
Legislative Changes	0.00
Revised Budget	0.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Department of Natural and Cultural Resources - Roanoke Island Commission										
Budget Code 14802		<u>Enacted Budget</u>			<u>Legislative Changes</u>			<u>Revised Budget</u>		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1584	Roanoke Island Commission	823,384	300,000	523,384	-	-	-	823,384	300,000	523,384
Total		\$823,384	\$300,000	\$523,384	\$0	\$0	\$0	\$823,384	\$300,000	\$523,384

Department of Natural and Cultural Resources - Roanoke Island Commission					
Budget Code 14802		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1584	Roanoke Island Commission	-	-	-	-
Total FTE		-	-	-	-

DNCR - Roanoke Island Commission

GENERAL FUND

Total Budget Enacted 2015 Session	FY 16-17
	\$523,384

Legislative Changes

Roanoke Island Festival Park

83 No legislative changes

Fund Code: N/A

Total Legislative Changes

Total Position Changes

Revised Budget **\$523,384**

Special Provisions

2016 Session: HB 1030

Department: DNCR - Roanoke Island Commission

Section:

Title: **No Special Provisions**

Summary

**Justice and Public
Safety
Section I**

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**Department of Public Safety
Budget Code 14550**

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$2,000,925,794
Receipts	\$153,560,168
<hr/>	
Net Appropriation	\$1,847,365,626

Legislative Changes

Requirements	\$61,149,731
Receipts	\$0
<hr/>	
Net Appropriation	\$61,149,731

Revised Budget

Requirements	\$2,062,075,525
Receipts	\$153,560,168
<hr/>	
Net Appropriation	\$1,908,515,357

General Fund FTE

Enacted Budget	24,900.45
Legislative Changes	(17.00)
<hr/>	
Revised Budget	24,883.45

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Department of Public Safety		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14550		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1100	Division of Administration	64,934,710	138,899	64,795,811	745,654	-	745,654	65,680,364	138,899	65,541,465
1115	Victims Services	9,948,019	3,767,421	6,180,598	-	-	-	9,948,019	3,767,421	6,180,598
1170	Governor's Crime Commission	29,466,131	25,347,073	4,119,058	-	-	-	29,466,131	25,347,073	4,119,058
1210	Youth Detention Center Services	12,967,007	5,853,114	7,113,893	-	-	-	12,967,007	5,853,114	7,113,893
1220	Youth Development Center Services	17,516,531	456,372	17,060,159	-	-	-	17,516,531	456,372	17,060,159
1225	Youth Treatment Services	15,879,568	-	15,879,568	-	-	-	15,879,568	-	15,879,568
1226	Youth Education Services	6,258,629	1,284,938	4,973,691	-	-	-	6,258,629	1,284,938	4,973,691
1230	Community Program Services	20,110,490	298,078	19,812,412	-	-	-	20,110,490	298,078	19,812,412
1240	JCPC Grants Management System	22,745,217	-	22,745,217	-	-	-	22,745,217	-	22,745,217
1250	Juvenile Court Services	33,300,985	146,597	33,154,388	-	-	-	33,300,985	146,597	33,154,388
1260	Safer Schools Initiative	359,132	-	359,132	-	-	-	359,132	-	359,132
1305	Prison Management	12,486,399	58,699	12,427,700	-	-	-	12,486,399	58,699	12,427,700
1307	Inmate Construction Program	1,263,799	-	1,263,799	-	-	-	1,263,799	-	1,263,799
1310	Prison Custody and Security	775,535,274	8,471,996	767,063,278	-	-	-	775,535,274	8,471,996	767,063,278
1314	Prison Road Squad and Litter Crews	9,040,000	9,040,000	-	-	-	-	9,040,000	9,040,000	-
1316	Prison Center for Community Transition	513,072	-	513,072	-	-	-	513,072	-	513,072
1318	Prison Gang Unit Management	437,947	-	437,947	-	-	-	437,947	-	437,947
1320	Prison Food Service and Cleaning	72,815,524	8,625,820	64,189,704	-	-	-	72,815,524	8,625,820	64,189,704
1321	Prison Inmate Clothing and Bedding	17,049,824	-	17,049,824	-	-	-	17,049,824	-	17,049,824
1331	Prison General Health	160,109,955	4,792,710	155,317,245	(189,764)	-	(189,764)	159,920,191	4,792,710	155,127,481
1332	Prison Mental Health	36,851,743	-	36,851,743	-	-	-	36,851,743	-	36,851,743
1333	Prison Dental Health	11,712,752	-	11,712,752	-	-	-	11,712,752	-	11,712,752
1334	Prison Pharmacy Services	38,142,587	515,201	37,627,386	-	-	-	38,142,587	515,201	37,627,386
1340	Prison Inmate Education	10,381,498	1,930,411	8,451,087	-	-	-	10,381,498	1,930,411	8,451,087
1345	Prison Corrective Programs	44,459,459	-	44,459,459	-	-	-	44,459,459	-	44,459,459
1346	SOAR Program	122,752	-	122,752	-	-	-	122,752	-	122,752
1347	Prison Work Release	996,108	-	996,108	(55,890)	-	(55,890)	940,218	-	940,218
1350	ACDP - Administration	493,292	-	493,292	-	-	-	493,292	-	493,292
1352	ACDP - In Prison Treatment	6,521,347	797,000	5,724,347	-	-	-	6,521,347	797,000	5,724,347
1354	ACDP - Community Based Treatment	7,637,084	-	7,637,084	-	-	-	7,637,084	-	7,637,084
1355	DPS Confinement in Response to Violation (CRV)	8,933,220	-	8,933,220	-	-	-	8,933,220	-	8,933,220
1360	Community Corrections - Management	2,642,976	90,628	2,552,348	-	-	-	2,642,976	90,628	2,552,348
1365	Community Corrections - Interstate Compact	729,093	199,845	529,248	-	-	-	729,093	199,845	529,248
1370	Community Corrections - Regular Supervision	156,198,351	109,372	156,088,979	-	-	-	156,198,351	109,372	156,088,979
1375	Community Corrections - Community Supervision	12,409,189	-	12,409,189	-	-	-	12,409,189	-	12,409,189
1377	Community Corrections - Electronic Monitoring	6,853,623	11,704	6,841,919	-	-	-	6,853,623	11,704	6,841,919
1380	Community Corrections - Judicial Services	12,441,828	-	12,441,828	-	-	-	12,441,828	-	12,441,828
1385	Security Services for ACJJ	4,356,945	-	4,356,945	-	-	-	4,356,945	-	4,356,945
1390	Post-Release Supervision and Parole Commission	2,496,316	-	2,496,316	-	-	-	2,496,316	-	2,496,316
1392	Grievance Resolution Board	590,016	-	590,016	-	-	-	590,016	-	590,016
1399	Division Wide Operations	911,859	760,986	150,873	-	-	-	911,859	760,986	150,873
1402	LE - State Capitol Police	4,726,888	2,958,933	1,767,955	-	-	-	4,726,888	2,958,933	1,767,955

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Department of Public Safety		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14550		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1405	LE - Law Enforcement Support Services	8,920	8,920	-	-	-	-	8,920	8,920	-
1408	LE - SHP Missing Persons Administration	113,032	-	113,032	-	-	-	113,032	-	113,032
1410	LE - SHP Aviation Administration	2,336,053	232,091	2,103,962	-	-	-	2,336,053	232,091	2,103,962
1411	LE - SHP Field Administration	206,089,271	3,988,064	202,101,207	-	-	-	206,089,271	3,988,064	202,101,207
1414	LE - SHP VIPER Administration	13,256,517	-	13,256,517	-	-	-	13,256,517	-	13,256,517
1450	State Bureau of Investigation	54,317,468	13,521,050	40,796,418	8,217,617	-	8,217,617	62,535,085	13,521,050	49,014,035
1500	EM - EMPG Operations	11,459,238	9,085,482	2,373,756	-	-	-	11,459,238	9,085,482	2,373,756
1501	EM - Planning	2,655,979	2,655,979	-	-	-	-	2,655,979	2,655,979	-
1502	EM - Homeland Security	10,104,465	10,104,465	-	-	-	-	10,104,465	10,104,465	-
1504	EM - Geospatial (GTM)	7,865,098	7,865,098	-	507,784	-	507,784	8,372,882	7,865,098	507,784
1505	EM - Recovery	558,834	558,834	-	-	-	-	558,834	558,834	-
1506	EM - Operations	1,078,600	1,078,600	-	-	-	-	1,078,600	1,078,600	-
1507	EM - CAP	159,211	-	159,211	-	-	-	159,211	-	159,211
1509	EM - Hazard Mitigation - Non-Disaster	387,776	169,204	218,572	-	-	-	387,776	169,204	218,572
1511	Geodetic Survey	1,445,000	607,616	837,384	-	-	-	1,445,000	607,616	837,384
1600	National Guard	5,757,511	1,733,804	4,023,707	-	-	-	5,757,511	1,733,804	4,023,707
1601	National Guard - Armory	20,021,396	18,597,004	1,424,392	-	-	-	20,021,396	18,597,004	1,424,392
1602	National Guard - Air	4,739,906	4,299,960	439,946	-	-	-	4,739,906	4,299,960	439,946
1603	National Guard - Youth Programs	5,224,380	3,398,200	1,826,180	785,000	-	785,000	6,009,380	3,398,200	2,611,180
Department-wide Items										
	Compensation Reserve				24,145,730	N/A	24,145,730	24,145,730	N/A	24,145,730
	State Highway Patrol Step Increase				1,840,597	N/A	1,840,597	1,840,597	N/A	1,840,597
	Correctional Officer Custody-Level Based Pay Adj.				16,919,481	N/A	16,919,481	16,919,481	N/A	16,919,481
	State Retirement Contributions				7,733,522	N/A	7,733,522	7,733,522	N/A	7,733,522
Total		\$2,000,925,794	\$153,560,168	\$1,847,365,626	\$61,149,731	\$0	\$61,149,731	\$2,062,075,525	\$153,560,168	\$1,908,515,357

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Department of Public Safety					
Budget Code 14550		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Division of Administration	703.12	(17.00)	-	686.12
1115	Victims Services	18.50	-	-	18.50
1170	Governor's Crime Commission	25.00	-	-	25.00
1210	Youth Detention Center Services	185.50	-	-	185.50
1220	Youth Development Center Services	252.00	-	-	252.00
1225	Youth Treatment Services	244.00	-	-	244.00
1226	Youth Education Services	72.75	-	-	72.75
1230	Community Program Services	21.00	-	-	21.00
1240	JCPC Grants Management System	-	-	-	-
1250	Juvenile Court Services	537.75	-	-	537.75
1260	Safer Schools Initiative	4.00	-	-	4.00
1305	Prison Management	169.14	-	-	169.14
1307	Inmate Construction Program	4.00	-	-	4.00
1310	Prison Custody and Security	12,604.78	-	-	12,604.78
1314	Prison Road Squad and Litter Crews	183.00	-	-	183.00
1316	Prison Center for Community Transition	-	-	-	-
1318	Prison Gang Unit Management	8.00	-	-	8.00
1320	Prison Food Service and Cleaning	483.00	-	-	483.00
1321	Prison Inmate Clothing and Bedding	-	-	-	-
1331	Prison General Health	1,346.00	-	-	1,346.00
1332	Prison Mental Health	557.00	-	-	557.00
1333	Prison Dental Health	107.00	-	-	107.00
1334	Prison Pharmacy Services	82.50	-	-	82.50
1340	Prison Inmate Education	60.00	-	-	60.00
1345	Prison Corrective Programs	899.11	-	-	899.11
1346	SOAR Program	2.00	-	-	2.00
1347	Prison Work Release	19.36	(1.00)	-	18.36
1350	ACDP - Administration	4.31	-	-	4.31
1352	ACDP - In Prison Treatment	104.00	-	-	104.00
1354	ACDP - Community Based Treatment	113.00	-	-	113.00
1355	DPS Confinement in Response to Violation (CRV)	86.00	-	-	86.00
1360	Community Corrections - Management	31.70	-	-	31.70
1365	Community Corrections - Interstate Compact	11.00	-	-	11.00
1370	Community Corrections - Regular Supervision	2,415.00	-	-	2,415.00
1375	Community Corrections - Community Supervision	4.50	-	-	4.50
1377	Community Corrections - Electronic Monitoring	7.00	-	-	7.00
1380	Community Corrections - Judicial Services	241.00	-	-	241.00
1385	Security Services for ACJJ	58.10	-	-	58.10
1390	Post-Release Supervision and Parole Commission	32.00	-	-	32.00
1392	Grievance Resolution Board	7.00	-	-	7.00
1399	Division Wide Operations	10.00	-	-	10.00
1402	LE - State Capitol Police	94.00	-	-	94.00
1405	LE - Law Enforcement Support Services	-	-	-	-
1408	LE - SHP Missing Persons Administration	1.00	-	-	1.00
1410	LE - SHP Aviation Administration	13.00	-	-	13.00
1411	LE - SHP Field Administration	2,088.00	-	-	2,088.00
1414	LE - SHP VIPER Administration	52.00	-	-	52.00
1450	State Bureau of Investigation	560.00	1.00	-	561.00
1500	EM - EMPG Operations	67.86	-	-	67.86
1501	EM - Planning	23.44	-	-	23.44
1502	EM - Homeland Security	17.38	-	-	17.38
1504	EM - Geospatial (GTM)	29.88	-	-	29.88

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Department of Public Safety					
Budget Code 14550		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1505	EM - Recovery	9.55	-	-	9.55
1506	EM - Operations	6.50	-	-	6.50
1507	EM - CAP	2.00	-	-	2.00
1509	EM - Hazard Mitigation - Non-Disaster	3.00	-	-	3.00
1511	Geodetic Survey	18.22	-	-	18.22
1600	National Guard	26.00	-	-	26.00
1601	National Guard - Armory	57.00	-	-	57.00
1602	National Guard - Air	52.75	-	-	52.75
1603	National Guard - Youth Programs	65.75	-	-	65.75
Total FTE		24,900.45	(17.00)	-	24,883.45

Public Safety

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$1,847,365,626

Legislative Changes

A. Reserve for Salaries and Benefits

1 Compensation Increase Reserve	\$18,212,015	R
Fund Code: N/A	\$5,933,715	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. In addition, funds are provided for salary increases for State agency teachers who are paid in accordance with the Statewide teacher salary schedule. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.12, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

2 State Highway Patrol Trooper Step Increase	\$1,840,597	R
Fund Code: N/A		

Provides funds for an experience-based step increase for eligible State Highway Patrol Troopers pursuant to G.S. 20-187.3. (H.B. 1140/S.B. 885)

3 SBI/ALE Compensation Reserve	\$500,000	R
Fund Code: N/A		

Provides salary increases for State Bureau of Investigation (SBI) and Alcohol Law Enforcement (ALE) agents. The Director of the SBI is given the authority to allocate these funds as needed within the SBI. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 36.13)

4 Correctional Officer Custody-level Based Pay Adjustment	\$16,919,481	R
Fund Code: N/A		

Provides funds to continue implementation of custody-level pay for Correctional Officers, Custody Supervisors, and Prison Facility Administrators started in FY 2015-16. (H.B. 1140/S.B. 885)

5 State Retirement Contributions

\$3,093,409 R

Fund Code: N/A

\$4,640,113 NR

Increases the State’s contribution for members of the Teachers’ and State Employees’ Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

B. Administration

6 Budget Realignment for Medical Claims Processing

(\$1,398,069) R

Fund Code: 1100, 1331, 1347

-18.00

Realigns the administrative budget for the Department to transition to contracted medical claims processing services. The director of medical claims position (60056431, \$97,975) is eliminated October 1, 2016. Two processing assistant V positions (60056424, \$48,828, and 60056433, \$43,952) are eliminated April 1, 2017. Another processing assistant V position (60056449, \$48,828) is eliminated June 1, 2017. In addition, the following vacant positions are eliminated:

Fund	Position	Title	Total Position Cost
1100	60000998	Admin. Off. II	\$ 78,254
1100	60056087	Nurse Supervisor	\$ 93,438
1100	60056280	Personnel Asst. IV	\$ 52,814
1100	60084640	Info. Tech. Mgr	\$ 129,497
1100	60089796	Desktop Serv.	\$ 71,754
1100	60090523	Tech. Suppt .Tech	\$ 54,971
1100	60056171	IT Mgr. - Netwking	\$ 98,928
1100	60066134	Personnel Analyst I	\$ 54,206
1100	65009338	Corr. Train. Instr. II	\$ 94,009
1100	60089753	Personnel Tech. I	\$ 48,720
1100	60056395	Tech. Supp. Analyst	\$ 61,761
1100	60000975	Accounting Tech.	\$ 50,077
1347	60056439	Accounting Tech.	\$ 55,890

Salary reserve in fund code 1100 - Administration is reduced by \$103,847. Finally, account 531311 - Temporary Wages in fund code 1331 - Prison General Health is reduced by \$189,764. The annualized savings in net appropriation from these reductions will be \$1.5 million in FY 2017-18.

(S.L. 2016-123, Sec. 7.2, Measurability Assessments/Budget Tech. Corr., eliminates position number 60070228 from the list of vacant positions eliminated as part of the budget realignment for medical claims processing in the Division of Administration. The Department of Public Safety is directed to identify a different vacant position in the Division to eliminate.)

7 Medical Claims Processing

\$1,398,069 R

Fund Code: 1100

Provides funds for outsourcing medical claims processing. Billing for inmate medical services performed by outside medical providers will be electronic beginning October 1, 2016. The annualized cost for this contract in FY 2017-18 is estimated to be \$1.5 million. The revised net appropriation for this program in FY 2016-17 is \$1,398,069.

8 Veterans Life Center

\$500,000 NR

Fund Code: 1100

Provides a nonrecurring pass-through appropriation to the Veterans Leadership Council of North Carolina - CARES (VLCNC), a 501(c)(3) non-profit organization, for the Veterans Life Center. (S.L. 2016-94, Sec. 17A.4)

C. Law Enforcement

9 SBI Legislative Liaison

\$97,617 R

Fund Code: 1450

1.00

Provides funding for a legislative liaison position in the State Bureau of Investigation (SBI). The revised net appropriation for the SBI in FY 2016-17 is \$49,014,035.

10 SBI Plane

\$8,000,000 NR

Fund Code: 1450

Provides funds for the purchase of a new plane for the SBI Airwing. The total estimated cost of the plane is \$8.7 million. The SBI may use funds available for the balance of the purchase. The revised net appropriation for the SBI in FY 2016-17 is \$49,014,035.

11 Operation Medicine Drop

\$120,000 NR

Fund Code: 1450

Provides funds to the SBI for Operation Medicine Drop, a program that conducts events for citizens to bring unused or expired medications to a central location for safe disposal. The revised net appropriation for the SBI in FY 2016-17 is \$49,014,035.

D. Emergency Management and National Guard

12 School Risk Management Plans

\$507,784 NR

Fund Code: 1504

Provides funds for the construction and development of first-generation School Risk Management Plans for public schools in accordance with G.S.115C-105.49. The revised net appropriation for Emergency Management - Geospatial (GTM) is \$507,784. (H.B. 1140/S.B. 885)

13 Tarheel Challenge Academy Buses

Fund Code: 1603 \$85,000 NR

Provides funds for new buses for the Tarheel Challenge Academy in Salemburg. The revised net appropriation in FY 2016-17 for National Guard Youth Programs is \$2,611,180.

14 Tarheel Challenge Academy Gym

Fund Code: 1603 \$700,000 NR

Provides funds for renovation of the gym at the Tarheel Challenge Academy in Salemburg. The revised net appropriation in FY 2016-17 for National Guard Youth Programs is \$2,611,180.

(S.L. 2016-123, Sec. 7.4, Measurability Assessments/Budget Tech. Corr., clarifies that the funds appropriated for the Tarheel Challenge gym should be transferred to a capital code and used for construction of a new multipurpose facility on the Salemburg campus.)

E. Adult Correction and Juvenile Justice - Prisons

15 Inmate Litter Collection and Road Cleanup

Fund Code: 1314

Makes receipts budgeted in FY 2016-17 from the Highway Fund for inmate road squads and litter crews nonrecurring. Total requirements for this program in FY 2016-17 are \$9,040,000. The revised net appropriation is \$0.
(This item also appears in the Transportation section on page K-12, Item 24)

Total Legislative Changes	\$40,663,119	R
	\$20,486,612	NR
Total Position Changes		-17.00
Revised Budget	\$1,908,515,357	

Special Provisions

2016 Session: HB 1030

Department: Public Safety

Section: 17A.1

Title: REPEAL POSITION RECLASSIFICATION AUTHORITY

Summary Repeals Section 16A.3 of S.L. 2015-241, 2015 Appropriations Act, which allowed the Department of Public Safety (DPS) to reclassify or eliminate positions in the Division of Administration.

Section: 17A.2

Title: NO TRANSFER OF POSITIONS TO OTHER STATE AGENCIES

Summary Prohibits the Office of State Budget and Management (OSBM) from transferring positions, personnel, or funds from DPS to any other State agency. Exceptions are allowed for funds transferred to the Office of the Governor for administrative support (\$234,891) and litigation expenses (\$50,000). This section is effective retroactive to July 1, 2015 and applies to FY 2015-16 and FY 2016-17.

Section: 17A.3

Title: CLARIFY THAT SBI DIRECTOR EXERCISES POWERS INDEPENDENTLY

Summary Adds a conforming change to G.S. 143B-600(b) to bring that statute into line with changes made to the structure of the State Bureau of Investigation in Section 16A.7 of S.L. 2015-241, 2015 Appropriations Act.

Section: 17A.4

Title: VETERANS LIFE CENTER REPORTING

Summary Requires the Veterans Leadership Council of North Carolina – CARES (VLCNC) to report planned capital and operating costs to DPS and the Department of Military and Veterans Affairs (DMVA) prior to receiving funds appropriated to DPS for the Veterans Life Center. This section also requires VLCNC to report to DPS and DMVA no later than August 1, 2017 on the expenditure of those funds. Finally, this section clarifies that these reporting requirements are in addition to any reports required by Article 6 of Chapter 143C, the State Budget Act.

Section: 17B.1

Title: REQUIRE QUARTERLY VIPER REPORT

Summary Changes the State Highway Patrol's VIPER report to the chairs of the Joint Legislative Oversight Committee on Justice and Public Safety (JLOCJPS) from an annual report to a quarterly report.

Section: 17B.2

Title: CHANGE DOMESTIC VIOLENCE HOMICIDE REPORT DUE DATE

Summary Changes the due date of the Domestic Violence Homicide Report required by G.S. 143B-901 from February 1 to April 1 of each year.

Public Safety

Section: 17C.1

Title: **MISDEMEANANT CONFINEMENT PROGRAM**

Summary Makes technical changes to the Statewide Misdemeanant Confinement Program (SMCP):

Subsection (a) clarifies that the funds to support SMCP should not be transferred into a special fund.

Subsection (b) eliminates the section directing the operating and administrative expenses be paid out of the Statewide Misdemeanant Confinement Fund.

Subsection (c) clarifies that the funds appropriated for the NC Sheriffs' Association and the Division of Adult Correction to operate and administer the program come from SMCP.

Subsection (d) changes a reference to the Statewide Misdemeanant Confinement Fund to the Statewide Misdemeanant Confinement Program.

Section: 17C.2

Title: **INMATE GRIEVANCE RESOLUTION BOARD REPORT CHANGES**

Summary Amends Section 16C.13B(b) of S.L. 2015-241, 2015 Appropriations Act, to make technical changes to the Inmate Grievance Resolution Board annual report.

Section: 17C.2A

Title: **MEDICAL COSTS FOR INMATES AND JUVENILE OFFENDERS**

Summary Amends G.S. 143B-707.3 to modify the quarterly inmate cost containment report.

Revised G.S. 143B-707.3 (c)(4a) requires DPS to report the scheduled and emergent services listed by contracted and non-contracted hospitals.

Revised G.S. 143B-707.3 (c)(4b) requires DPS to report the scheduled and emergent admissions listed by contracted and non-contracted hospitals.

Revised G.S. 143B-707.3 (c)(5a) directs DPS to report on the implementation status of the claims processing system and efforts to address the backlog of unpaid claims.

Revised G.S. 143B-707.3 (c)(6) directs DPS to report on hospital utilization and the amount paid to each contracted and non-contracted hospital.

Revised G.S. 143B-707.3 (c)(7) directs DPS to report on the total cost and volume for the previous fiscal quarter for emergency room visits to UNC, Rex, and WakeMed Hospitals from Central Prison and the NC Correctional Institution for Women.

Revised G.S. 143B-707.3 (c)(8) directs DPS to report on the total payments for Medicaid and non-Medicaid eligible inmates, including the number of days between when the claim was filed and when the claim was paid.

New G.S. 143B-707.3 (c)(9) directs DPS to report the list of hospitals under contract.

New G.S. 143B-707.3 (c) requires reports submitted on August 1 to include totals for the previous fiscal year.

New G.S. 143B-707.3 (d) requires DPS to study whether contracts to provide inmate health services can be expanded, including a list of hospitals considered for expansion and reasons for or against expansion. The Department shall report its findings to the Chairs of the House and Senate Appropriations Committees on Justice and Public Safety by February 1, 2017.

Section: 17C.3

Title: **STUDY WHETHER PROBATION AND PAROLE OFFICERS SHOULD TAKE STATE VEHICLES HOME**

Summary Directs DPS, in consultation with the Departments of Administration and Revenue, to study whether probation and parole officers should be allowed to take their State vehicles home and any potential tax implications this may have for officers who choose to do so.

Section: 17C.4

Title: **REVISION TO TREATMENT FOR EFFECTIVE COMMUNITY SUPERVISION REPORT**

Summary Amends G.S.143B-1155(c) to revise the reporting requirements for the Treatment for Effective Community Supervision Program (TECS) to more accurately reflect the current structure, standards, and practices of this program.

Section: 17C.5

Title: **CHANGE PAYMENT STRUCTURE FOR RECIDIVISM REDUCTION SERVICES**

Summary Allows DPS to pay contracted providers of recidivism reduction services the contract base award upon initiation of services, with the remainder of the contract amount paid as services are rendered. (H.B. 253)

Special Provisions

2016 Session: HB 805

Department: Public Safety

Section: 7.2

Title: **TECHNICAL CHANGE: BUDGET REALIGNMENT FOR MEDICAL CLAIMS PROCESSING**

Summary Eliminates position number 60070228 from the list of vacant positions eliminated as part of the budget realignment for medical claims processing in the Division of Administration. DPS is directed to identify a different vacant position in the Division to eliminate.

Section: 7.3

Title: **TECHNICAL CHANGE: ANONYMOUS TIP LINE APPLICATION**

Summary Amends Section 8.26(n) of S.L. 2015-241, 2015 Appropriations Act, to change the date of implementation for a statewide anonymous tip line for school safety from July 1, 2016 to July 1, 2018.

Section: 7.4

Title: **TECHNICAL CHANGE: TARHEEL CHALLENGE ACADEMY GYM**

Summary Clarifies that the funds appropriated for the Tarheel Challenge gym should be transferred to a capital code and used for construction of a new multipurpose facility on the Salemburg campus.

**Department of Justice
Budget Code 13600**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$85,208,440
Receipts	\$32,492,848
Net Appropriation	\$52,715,592
Legislative Changes	
Requirements	\$5,540,436
Receipts	\$0
Net Appropriation	\$5,540,436
Revised Budget	
Requirements	\$90,748,876
Receipts	\$32,492,848
Net Appropriation	\$58,256,028

General Fund FTE

Enacted Budget	820.76
Legislative Changes	3.00
Revised Budget	823.76

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Department of Justice		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13600		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1100	General Administration	2,355,194	-	2,355,194	-	-	-	2,355,194	-	2,355,194
1200	Legal Services	51,996,584	27,867,541	24,129,043	-	-	-	51,996,584	27,867,541	24,129,043
1400	State Crime Laboratory	19,457,635	1,736,138	17,721,497	4,226,193	-	4,226,193	23,683,828	1,736,138	21,947,690
1500	Criminal Justice Training and Standards	11,015,417	2,471,035	8,544,382	160,000	-	160,000	11,175,417	2,471,035	8,704,382
1991	Indirect Reserve	383,610	418,134	(34,524)	-	-	-	383,610	418,134	(34,524)
Department-wide Items										
	Compensation Reserve				871,933	N/A	871,933	871,933	N/A	871,933
	State Retirement Contributions				282,310	N/A	282,310	282,310	N/A	282,310
Total		\$85,208,440	\$32,492,848	\$52,715,592	\$5,540,436	\$0	\$5,540,436	\$90,748,876	\$32,492,848	\$58,256,028

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Department of Justice					
Budget Code 13600		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	General Administration	24.00	-	-	24.00
1200	Legal Services	442.76	-	-	442.76
1400	State Crime Laboratory	218.00	1.00	-	219.00
1500	Criminal Justice Training and Standards	132.00	2.00	-	134.00
1991	Indirect Reserve	4.00	-	-	4.00
Total FTE		820.76	3.00	-	823.76

Justice

GENERAL FUND

	FY 16-17
Total Budget Enacted 2015 Session	\$52,715,592

Legislative Changes

A. Reserve for Salaries and Benefits

16 Compensation Increase Reserve	\$653,950	R
Fund Code: N/A	\$217,983	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

17 State Retirement Contributions	\$112,924	R
Fund Code: N/A	\$169,386	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

B. State Crime Laboratory

18 Western Crime Lab Funds	\$301,276	R
Fund Code: 1400	\$1,087,803	NR
	1.00	

Provides funds to equip and operate the new Western Crime Lab in Edneyville. Construction of the new 36,000 square foot facility is expected to be completed in February 2017. Funds are provided for an HVAC Technician, effective September 1, 2016 (\$52,867), scientific supplies (\$120,000), and increased maintenance and utility costs (\$128,409). The annualized amount will be \$494,361 beginning July 1, 2017. An additional \$1.1 million is provided to purchase new equipment for the lab. The revised net appropriation for the State Crime Laboratory is \$21,947,690 in FY 2016-17, a 19.2% increase over the certified budget. (H.B. 1109, H.B. 1140/S.B. 885)

19 Crime Lab Equipment

Fund Code: 1400 \$640,000 NR

Provides additional funds for equipment needs at State Crime Laboratory facilities in Raleigh and Greensboro. The revised net appropriation for the State Crime Laboratory is \$21,947,690 in FY 2016-17, a 19.2% increase over the certified budget. (H.B. 1109)

20 Outsourcing Funds for Forensic Analysis

Fund Code: 1400 \$2,197,114 NR

Provides additional funds for outsourcing forensic analysis services, including toxicology and DNA. The revised net appropriation for the State Crime Laboratory is \$21,947,690 in FY 2016-17, a 19.2% increase over the certified budget. (H.B. 1109, H.B. 1140/S.B. 885)

C. Criminal Justice Training and Standards

21 Instructor Positions \$160,000 R

Fund Code: 1500 2.00

Provides funds for a narcotics investigation instructor and a crime scene instructor at the NC Justice Academy in Salemburg. The revised net appropriation for Criminal Justice Training and Standards is \$8,704,382.

Total Legislative Changes **\$1,228,150 R**

\$4,312,286 NR

Total Position Changes 3.00

Revised Budget **\$58,256,028**

Special Provisions

2016 Session: HB 1030

Department: Justice

Section: 18.1

Title: **CREATION OF SOCIAL MEDIA TRAINING FOR LAW ENFORCEMENT**

Summary Requires the North Carolina Justice Academy to develop an online social media training course for law enforcement officers.

Section: 18.2

Title: **LAW ENFORCEMENT CERTIFICATION AND TRAINING CLARIFICATION**

Summary Amends G.S. 17C-6(a)(7) to clarify that the Criminal Justice Education and Training Standards Commission (CJETS) has the authority to certify instructors for courses required by criminal justice agencies that may not necessarily be required by CJETS.

**Office of Indigent Defense Services
Budget Code 12001**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$126,974,092
Receipts	\$10,344,128
Net Appropriation	\$116,629,964
 Legislative Changes	
Requirements	\$6,541,345
Receipts	\$0
Net Appropriation	\$6,541,345
 Revised Budget	
Requirements	\$133,515,437
Receipts	\$10,344,128
Net Appropriation	\$123,171,309

General Fund FTE

Enacted Budget	519.35
Legislative Changes	0.00
Revised Budget	519.35

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Office of Indigent Defense Services		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 12001		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Indigent Persons Attorney	76,152,404	10,125,135	66,027,269	3,500,000	-	3,500,000	79,652,404	10,125,135	69,527,269
1320	Public Defender Service	48,473,979	35,664	48,438,315	-	-	-	48,473,979	35,664	48,438,315
1380	Indigent Defense Service	2,347,709	183,329	2,164,380	-	-	-	2,347,709	183,329	2,164,380
Department-wide Items										
	Compensation Reserve				1,957,827	N/A	1,957,827	1,957,827	N/A	1,957,827
	State Retirement Contributions				250,633	N/A	250,633	250,633	N/A	250,633
	Consolidated Judicial Retirement Contrib.				54,104	N/A	54,104	54,104	N/A	54,104
Total		\$126,974,092	\$10,344,128	\$116,629,964	\$6,541,345	\$0	\$6,541,345	\$133,515,437	\$10,344,128	\$123,171,309

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Office of Indigent Defense Services					
Budget Code 12001		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1310	Indigent Persons Attorney	-	-	-	-
1320	Public Defender Service	499.75	-	-	499.75
1380	Indigent Defense Service	19.60	-	-	19.60
Total FTE		519.35	-	-	519.35

Judicial - Indigent Defense

GENERAL FUND

Total Budget Enacted 2015 Session	FY 16-17
	\$116,629,964

Legislative Changes

A. Reserve for Salaries and Benefits

22 Compensation Increase Reserve	\$2,052,848	R
Fund Code: N/A	\$227,920	NR

Provides funds for a 4.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time Judicial Branch employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.3, 36.14, 36.15, 36.16, and 36.17)

23 Compensation Bonus Reserve - Judicial Branch/ Indigent Defense Services	\$455,840	NR
Fund Code: N/A		

Provides funding for one-time merit-based bonuses for State employees. The Commission on Indigent Defense Services shall develop policies for the allocation of merit-based bonuses. Merit-based bonuses provided by employing agencies shall not be considered compensation for retirement purposes. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million. (S.L. 2016-94, Sec. 36.1A)

24 State Retirement Contributions	\$100,253	R
Fund Code: N/A	\$150,380	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

25 Consolidated Judicial Retirement Contributions	\$31,741	R
Fund Code: N/A	\$22,363	NR

Increases the State's contribution for members of the Consolidated Judicial Retirement System (CJRS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees. The revised net appropriation for members of CJRS is approximately \$24.5 million. (S.L. 2016-94, Secs. 36.20 and 36.21)

B. Private Assigned Counsel

26 Additional Private Assigned Counsel Funds	\$3,500,000	NR
Fund Code: 1310		

Provides nonrecurring funds to pay private counsel assigned to represent indigent defendants, reducing a budget shortfall that has accumulated over several years. This budget shortfall creates a hardship for small business legal firms whose payments are delayed when State funding is exhausted before the end of the fiscal year. The revised net appropriation for Private Assigned Counsel funds in FY 2016-17 is \$69,527,269. (H.B. 1140/S.B. 885)

(S.L. 2016-123, Sec 7.1, Measurability Assessments/Budget Tech. Corr., amends this item to direct \$100,000 in FY 2016-17 to Pisgah Legal Services.)

Total Legislative Changes	\$2,184,842	R
	\$4,356,503	NR

Total Position Changes

Revised Budget	\$123,171,309
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Special Provisions

2016 Session: HB 1030

Department: Judicial - Indigent Defense

Section: 19A.3

Title: **STUDY CAPITAL CASE PROSECUTION**

Summary Directs the Office of Indigent Defense Services (IDS) to study several aspects of capital case prosecution in North Carolina.

Subsection (a) directs IDS, in conjunction with the Conference of District Attorneys, to study changes that could be made to the current system of identifying cases that merit the cost of a capital prosecution and defense. The study shall also examine the use of local counsel in capital cases. Finally, the study shall also report on any possible savings gained or costs incurred by changing the current procedures for prosecuting capital cases.

Subsection (b) directs IDS to study the need for new satellite or regional offices to handle potentially capital cases. If it is determined that such offices should be established, IDS shall provide the following information: the determination that such offices are needed; the counties which these offices will serve; the number of attorney appointments made in the counties served; the number of attorney appointments made in the counties served in the past 3 fiscal years; and the current number of capital-case eligible private counsel and local public defenders who are available in those counties.

Both reports required by this section are due to the Chairs of the Joint Legislative Oversight Committee on Justice and Public Safety (JLOCJPS) by March 1, 2017.

Section: 19A.4

Title: **UNIFORM FEE SCHEDULE FOR IDS PILOT PROJECT**

Summary Sets out the terms of a pilot program, implemented jointly by IDS and the Administrative Office of the Courts (AOC), to test the efficacy of a flat-fee schedule for attorneys providing representation to indigent clients.

Subsection (a) directs AOC, in conjunction with IDS, to begin the pilot program.

Subsection (b) establishes the criteria for which judicial districts will be chosen for the program, specifically excluding District 10 (Wake County), District 18 (Guilford County), and District 26 (Mecklenburg County).

Subsection (c) establishes the criteria for developing the fee schedule, including procedures for reviewing it each biennium.

Subsection (d) directs AOC to complete the development of the fee schedule by March 1, 2017 and directs AOC and IDS to begin implementation of the pilot project in selected districts by April 1, 2017.

Subsection (e) requires AOC to report to the Chairs of JLOCJPS by May 1, 2017 on the status of the judicial districts selected and the flat-fee schedule they have developed. AOC will be required to report to the Chairs of JLOCJPS on the results of the pilot project by March 15, 2018 and shall continue to report on the status of the pilot project at least every two years thereafter. (H.B. 1010/S.B. 790)

Special Provisions

2016 Session: HB 805

Department: Judicial - Indigent Defense

Section: 7.1

Title: **BUDGET CHANGE: FUNDS FOR PISGAH LEGAL SERVICES**

Summary Amends S.L. 2016-94, 2016 Appropriations Act, to specify that of the funds allocated to IDS for private assigned counsel, \$100,000 shall be allocated to the North Carolina State Bar for use by Pisgah Legal Services.

**Administrative Office of the Courts
Budget Code 12000**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$485,407,793
Receipts	\$1,281,472
Net Appropriation	\$484,126,321
 Legislative Changes	
Requirements	\$27,643,723
Receipts	\$0
Net Appropriation	\$27,643,723
 Revised Budget	
Requirements	\$513,051,516
Receipts	\$1,281,472
Net Appropriation	\$511,770,044

General Fund FTE

Enacted Budget	5,794.31
Legislative Changes	5.00
Revised Budget	5,799.31

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Administrative Office of the Courts		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 12000		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1100	Administration and Services	50,772,638	681,041	50,091,597	250,000	-	250,000	51,022,638	681,041	50,341,597
1200	Appellate Division	13,868,952	-	13,868,952	-	-	-	13,868,952	-	13,868,952
1300	Trial Court Division	298,536,162	-	298,536,162	209,320	-	209,320	298,745,482	-	298,745,482
1410	Specialty Services and Programs	20,429,106	200,000	20,229,106	-	-	-	20,429,106	200,000	20,229,106
1600	Office- District Attorney	99,565,686	134,807	99,430,879	345,501	-	345,501	99,911,187	134,807	99,776,380
1700	Independent Commissions	2,235,249	265,624	1,969,625	-	-	-	2,235,249	265,624	1,969,625
Department-wide Items										
	Compensation Reserve				16,946,947	N/A	16,946,947	16,946,947	N/A	16,946,947
	Assistant and Deputy Clerk Step Increase				3,713,393	N/A	3,713,393	3,713,393	N/A	3,713,393
	Magistrate Step Increase				1,205,761	N/A	1,205,761	1,205,761	N/A	1,205,761
	State Retirement Contributions				1,955,468	N/A	1,955,468	1,955,468	N/A	1,955,468
	Consolidated Judicial Retirement Contrib.				1,520,896	N/A	1,520,896	1,520,896	N/A	1,520,896
Total		\$485,407,793	\$1,281,472	\$484,126,321	\$27,643,723	\$0	\$27,643,723	\$513,051,516	\$1,281,472	\$511,770,044

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Administrative Office of the Courts					
Budget Code 12000		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Services	296.85	-	-	296.85
1200	Appellate Division	128.00	-	-	128.00
1300	Trial Court Division	3,980.34	2.00	-	3,982.34
1410	Specialty Services and Programs	236.50	-	-	236.50
1600	Office- District Attorney	1,130.13	3.00	-	1,133.13
1700	Independent Commissions	22.50	-	-	22.50
Total FTE		5,794.31	5.00	-	5,799.31

Judicial

GENERAL FUND

Total Budget Enacted 2015 Session	FY 16-17
	\$484,126,321

Legislative Changes

A. Reserve for Salaries and Benefits

27 Compensation Increase Reserve	\$12,524,758	R
Fund Code: N/A	\$1,972,876	NR

Provides funds for a 4.5% annual recurring salary increase and a 0.5% nonrecurring bonus for non-step eligible permanent full-time Judicial Branch employees. Step-eligible employees receive a step increase plus a 1.5% salary increase. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.3, 36.4, 36.14, 36.15, 36.16, and 36.17)

28 Compensation Bonus Reserve - Judicial Branch/ AOC	\$3,945,750	NR
Fund Code: N/A		

Provides funding for one-time merit-based bonuses for State employees. The Administrative Officer of the Courts (AOC) shall develop policies for the allocation of merit-based bonuses. Merit-based bonuses provided by employing agencies shall not be considered compensation for retirement purposes. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million. (S.L. 2016-94, Sec. 36.1A)

29 Assistant and Deputy Clerk Step Increase	\$3,713,393	R
Fund Code: N/A		

Provides funds for an experience-based step increase for eligible Assistant and Deputy Clerks of Superior Court pursuant to G.S. 7A-102. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 36.5)

30 Magistrate Step Increase	\$1,205,761	R
Fund Code: N/A		

Provides funds for an experience-based step increase for eligible Magistrates pursuant to G.S. 7A-171.11. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 36.6)

31 State Retirement Contributions \$782,187 R
Fund Code: N/A \$1,173,281 NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

32 Consolidated Judicial Retirement Contributions \$892,259 R
Fund Code: N/A \$628,637 NR

Increases the State's contribution for members of the Consolidated Judicial Retirement System (CJRS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees. The revised net appropriation for members of CJRS is approximately \$24.5 million. (S.L. 2016-94, Secs. 36.20 and 36.21)

B. Administration

33 Mental Health Records Database \$250,000 NR
Fund Code: 1100

Provides funds to digitize mental health records to facilitate clerks' compliance with the requirements of S.L. 2015-195, Amend Firearm Laws. The revised net appropriation for AOC Administration is \$50,341,597.

C. Trial Court Division

34 District Court Judges \$209,320 R
Fund Code: 1300 2.00

Provides funds to create new district court judge positions in District 19A (Cabarrus) and District 27B (Cleveland and Lincoln) effective December 1, 2016. Annualized position and operating costs for these positions will be \$358,834. The revised net appropriation for the Trial Court Division in FY 2016-17 is \$298,745,482. (S.L. 2016-94, Sec. 19B.3)

D. District Attorneys

35 Assistant District Attorney Positions \$345,501 R
Fund Code: 1600 3.00

Restores assistant district attorney positions in District 9A (Caswell and Person), District 15B (Orange and Chatham), and District 20B (Union). These positions were eliminated as part of AOC's voluntary reduction in force program in FY 2011-12. The revised net appropriation for district attorney offices in FY 2016-17 is \$99,776,380.

Total Legislative Changes	\$19,673,179	R
	\$7,970,544	NR
Total Position Changes	5.00	
Revised Budget	\$511,770,044	

Special Provisions

2016 Session: **HB 1030**

Department: Judicial

Section: 19B.1

Title: **GRANT FUNDS**

Summary Amends Section 18A.4 of S.L. 2015-241, 2015 Appropriations Act, to allow the Administrative Office of the Courts (AOC) to use up to \$1.5 million as the State match for grant funds in FY 2016-17.

Section: 19B.2

Title: **COLLECTION OF WORTHLESS CHECK FUNDS**

Summary Amends Section 18A.5 of S.L. 2015-241, 2015 Appropriations Act, to allow AOC to use any balance remaining in the Collection of Worthless Checks Fund for office or information technology equipment in FY 2016-17.

Section: 19B.3

Title: **ADDITIONAL DISTRICT COURT JUDGES FOR DISTRICTS 19A AND 27B**

Summary Amends G.S. 7A-133(a) to add district court judges to District 19A (Cabarrus) and District 27B (Cleveland and Lincoln).

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General Government Section J

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**Department of Military and Veterans Affairs
Budget Code 13050**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$7,806,254
Receipts	\$0
<hr/>	
Net Appropriation	\$7,806,254
Legislative Changes	
Requirements	\$213,347
Receipts	\$0
<hr/>	
Net Appropriation	\$213,347
Revised Budget	
Requirements	\$8,019,601
Receipts	\$0
<hr/>	
Net Appropriation	\$8,019,601

General Fund FTE

Enacted Budget	77.90
Legislative Changes	2.00
<hr/>	
Revised Budget	79.90

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Department of Military and Veterans Affairs		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13050		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	7,806,254	-	7,806,254	110,000	-	110,000	7,916,254	-	7,916,254
Department-wide Items										
N/A	Compensation Increases	-	-	-	77,981	N/A	77,981	77,981	N/A	77,981
N/A	Retirement Contribution	-	-	-	25,366	N/A	25,366	25,366	N/A	25,366
Total		\$7,806,254	\$0	\$7,806,254	\$213,347	\$0	\$213,347	\$8,019,601	\$0	\$8,019,601

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Department of Military and Veterans Affairs					
Budget Code 13050		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	77.90	2.00	-	79.90
Total FTE		77.90	2.00	-	79.90

(1.0) Department of Military and Veterans Affairs

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$7,806,254

Legislative Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve	\$58,486	R
Fund Code: N/A	\$19,495	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4)

2 State Retirement Contributions	\$10,146	R
Fund Code: N/A	\$15,220	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Veterans Cemeteries

3 Additional Staff	\$100,000	R
Fund Code: 1100		

2.00

Provides funding to create 2 additional FTEs to support the North Carolina Veterans Cemeteries. These positions will work in the areas of maintenance and grounds keeping to help meet the growing burial demands at the Jacksonville and Spring Lake area cemeteries. The revised net appropriation for this fund after all changes in this act is \$8.0 million. (H.B. 1140/S.B. 885)

Veterans Home Program

4 Rename Black Mountain Veterans Home

Fund Code: 1100 \$10,000 NR

Provides funds to effectuate the name change from the Black Mountain Veterans Home to Zebulon Doyle Alley State Veterans Home. The revised net appropriation for this fund after all changes in this act is \$8.0 million. (S.L. 2016-94, Sec. 20.1)

Legislative Changes	\$168,632	R
	\$44,715	NR
Total Position Changes	2.00	
Revised Budget	\$8,019,601	

Special Provisions

2016 Session: HB 1030

Department: (1.0) Department of Military and Veterans Affairs

Section: 20.1

Title: **RENAME BLACK MOUNTAIN VETERANS HOME**

Summary Renames the North Carolina State Veterans Home in Black Mountain to the "Zebulon Doyle Alley State Veterans Home".

Section: 20.2

Title: **STUDY CREATION OF NORTH CAROLINA MILITARY HALL OF FAME**

Summary Directs the Department of Military and Veterans Affairs to study the feasibility of creating a North Carolina Military Hall of Fame to recognize contributions to the State and nation by military members with connections to North Carolina. The Department shall report its findings to the Chairs of the Joint Legislative Oversight Committee on General Government by November 1, 2016.

**Office of Administrative Hearings
Budget Code 18210**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$6,925,905
Receipts	\$1,782,492
Net Appropriation	\$5,143,413
Legislative Changes	
Requirements	\$103,296
Receipts	\$0
Net Appropriation	\$103,296
Revised Budget	
Requirements	\$7,029,201
Receipts	\$1,782,492
Net Appropriation	\$5,246,709

General Fund FTE

Enacted Budget	45.00
Legislative Changes	0.00
Revised Budget	45.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Office of Administrative Hearings		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 18210		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration and Operations	6,925,905	1,782,492	5,143,413	-	-	-	6,925,905	1,782,492	5,143,413
Department-wide Items										
N/A	Compensation Increase Reserve	-	-	-	77,943	N/A	77,943	77,943	N/A	77,943
N/A	State Retirement Contributions	-	-	-	25,353	N/A	25,353	25,353	N/A	25,353
Total		\$6,925,905	\$1,782,492	\$5,143,413	\$103,296	\$0	\$103,296	\$7,029,201	\$1,782,492	\$5,246,709

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Office of Administrative Hearings					
Budget Code 18210		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration and Operations	45.00	-	-	45.00
Total FTE		45.00	-	-	45.00

(2.0) Office of Administrative Hearings

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$5,143,413

Legislative Changes

Reserve for Salaries and Benefits

5 Compensation Increase Reserve	\$58,457	R
Fund Code: N/A	\$19,486	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4)

6 State Retirement Contributions	\$10,141	R
Fund Code: N/A	\$15,212	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Legislative Changes	\$68,598	R
	\$34,698	NR

Total Position Changes

Revised Budget	\$5,246,709	
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Special Provisions

2016 Session: **HB 1030**

Department: (2.0) Office of Administrative Hearings

Section:

Title: **No Special Provisions**

Summary

**Department of State Treasurer
Budget Code 13410**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$51,609,807
Receipts	\$41,261,423
Net Appropriation	\$10,348,384
Legislative Changes	
Requirements	\$442,489
Receipts	\$99,432
Net Appropriation	\$343,057
Revised Budget	
Requirements	\$52,028,247
Receipts	\$41,360,855
Net Appropriation	\$10,667,392

General Fund FTE

Enacted Budget	373.75
Legislative Changes	1.00
Revised Budget	374.75

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Department of State Treasurer		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13410		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1110	General Administration	1,934,493	1,934,493	-	-	-	-	1,934,493	1,934,493	-
1130	Escheat Fund - Administration	3,515,218	3,515,218	-	-	-	-	3,515,218	3,515,218	-
1150	Information Services	8,479,380	8,479,380	-	-	-	-	8,479,380	8,479,380	-
1210	Investment Management	9,089,958	2,996,563	6,093,395	-	-	-	9,089,958	2,996,563	6,093,395
1310	Local Government - Operations	5,180,471	4,981,607	198,864	(99,432)	99,432	(198,864)	5,081,039	5,081,039	-
1410	Retirement Operations	17,895,552	17,895,552	-	-	-	-	17,895,552	17,895,552	-
1450	Achieving a Better Life Experience	595,000	-	595,000	-	-	-	595,000	-	595,000
1510	Financial Operations Division	4,919,735	1,458,610	3,461,125	486,000	-	486,000	5,405,735	1,458,610	3,947,125
					-	-	-	-	-	-
Department-wide Items										
N/A	Compensation Increase Reserve	-	-	-	24,049	N/A	24,049	24,049	N/A	24,049
N/A	State Health Plan Contributions	-	-	-	7,823	N/A	7,823	7,823	N/A	7,823
Total		\$51,609,807	\$41,261,423	\$10,348,384	\$442,489	\$99,432	\$343,057	\$52,028,247	\$41,360,855	\$10,667,392

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Department of State Treasurer					
Budget Code 13410		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	21.20	-	-	21.20
1130	Escheat Fund - Administration	29.70	-	-	29.70
1150	Information Services	48.00	-	-	48.00
1210	Investment Management	37.90	-	-	37.90
1310	Local Government - Operations	37.00	-	1.00	38.00
1410	Retirement Operations	162.25	-	-	162.25
1450	Achieving a Better Life Experience	4.00	-	-	4.00
1510	Financial Operations Division	33.70	-	-	33.70
Total FTE		373.75	-	1.00	374.75

(3.0) Treasurer

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$10,348,384

Legislative Changes

Reserve for Salaries and Benefits

7 Compensation Increase Reserve	\$18,037	R
Fund Code: N/A	\$6,012	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1, 36.14, 36.15, 36.16, and 36.17)

A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4)

8 State Retirement Contributions	\$3,129	R
Fund Code: N/A	\$4,694	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Financial Operations Division

9 Core Banking System		
Fund Code: 1510	\$450,000	NR

Provides funds to the Financial Operations Division for an existing contract for maintenance and related IT costs of the State's Core Banking system. The revised net appropriation for all changes in this section for this fund is \$3.9 million.

10 Operating Costs \$36,000 R
Fund Code: 1510

Increases receipts by \$512,000 to the Financial Operations Division for operation of the new office facility for Department of State Treasurer. The operations budget includes: water, utilities, janitorial services and security for the building. The receipts will be cost-allocated from divisions within the Department of State Treasurer that support operations. This action also increases the net appropriations for those functions not supported by receipts by \$36,000. The revised net appropriation for all changes in this section for this fund is \$3.9 million. (H.B. 1140/S.B. 885)

Local Government Commission

11 Correction of Receipt-Budgeted Positions (\$198,864) R
Fund Code: 1310

Corrects the source of funds available to the Local Government Commission (LGC) for 2 positions appropriated in SL 2015-241 and reduces the net appropriations. Those positions became receipt-supported through SL 2015-268 and were to be paid for by receipts received by the LGC (local sales tax revenues). The revised net appropriation for this fund is \$0.

12 Local Government Assistance

Fund Code: 1310

Increases receipts by \$99,432 to Local Government Operations to fund 1 FTE position to consult with local governments on fiscal management, accounting, reporting, and other internal control issues. The revised net appropriation for the Local Government Commission is \$0.

Legislative Changes	(\$141,698)	R
	\$460,706	NR
Total Position Changes		
Revised Budget	\$10,667,392	

Special Provisions

2016 Session: HB 1030

Department: (3.0) Treasurer

Section: 22.2

Title: **ABLE PROGRAM TRUST REPORT**

Summary Requires the Department of State Treasurer to report on the implementation activities of the Achieving a Better Life Experience (ABLE) program. The report must be submitted by December 1, 2016, to the members of the Joint Legislative Oversight Committee on General Government.

**Fire Rescue National Guard Pensions
Budget Code 13412**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$21,691,299
Receipts	\$0
Net Appropriation	\$21,691,299
 Legislative Changes	
Requirements	\$5,197,982
Receipts	\$0
Net Appropriation	\$5,197,982
 Revised Budget	
Requirements	\$26,889,281
Receipts	\$0
Net Appropriation	\$26,889,281

General Fund FTE

Enacted Budget	0.00
Legislative Changes	0.00
Revised Budget	0.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Fire Rescue National Guard Pensions		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13412		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1414	General Fund Contribution to National Guard	7,066,299	-	7,066,299	1,450,774	-	1,450,774	8,517,073	-	8,517,073
1415	General Fund Contribution to Fire & Rescue Squad	13,900,000	-	13,900,000	3,702,208	-	3,702,208	17,602,208	-	17,602,208
1432	Line of Duty Death Benefits	725,000	-	725,000	45,000	-	45,000	770,000	-	770,000
Total		\$21,691,299	\$0	\$21,691,299	\$5,197,982	\$0	\$5,197,982	\$26,889,281	\$0	\$26,889,281

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Fire Rescue National Guard Pensions					
Budget Code 13412		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1414	General Fund Contribution to National Guard	-	-	-	-
1415	General Fund Contribution to Fire and Rescue Squad	-	-	-	-
1432	Line of Duty Death Benefits	-	-	-	-
Total FTE		-	-	-	-

(4.0) Fire Rescue Nat Guard Pensions & LDD Benefits

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$21,691,299

Legislative Changes

Reserve for Salaries and Benefits

13 National Guard Pension Fund

\$1,450,774 R

Fund Code: 1414

Increases the State's contribution to the National Guard Pension Fund (NGPF) to match the actuarially determined contribution. The revised net appropriation to the NGPF is \$8.5 million.

14 Firefighters' and Rescue Squad Workers' Pension Fund

\$3,702,208 R

Fund Code: 1415

Increases the State's contribution to the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) to match the actuarially determined contribution. The revised net appropriation to the FRSWPF is \$17.6 million. (S.B. 886, S.L. 2016-108)

Line of Duty Death Benefits

15 Line of Duty Death Benefits Eligibility Expansion

\$45,000 R

Fund Code: 1432

Expands list of cancers that are presumed to be line-of-duty deaths for firefighters. The revised net appropriation for this fund is \$0.8 million. (S.L. 2016-94, Sec. 22.1)

Legislative Changes

\$5,197,982 R

Total Position Changes

Revised Budget

\$26,889,281

Special Provisions

2016 Session: **HB 1030**

Department: (4.0) Fire Rescue Nat Guard Pensions & LDD Benefits

Section: 22.1

Title: **LINE OF DUTY DEATH BENEFITS TO INCLUDE CANCER AS OCCUPATIONAL DISEASE**

Summary Amends G.S. 143-166.2(c) to direct the Department of State Treasurer to include certain cancers as a qualification for receipt of the line-of-duty death benefits afforded firefighters who die as a result of mesothelioma, testicular cancer or intestinal cancer.

**Department of Insurance
Budget Code 13900**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$49,550,287
Receipts	\$11,195,041
Net Appropriation	\$38,355,246
Legislative Changes	
Requirements	\$3,252,158
Receipts	\$158,000
Net Appropriation	\$3,094,158
Revised Budget	
Requirements	\$52,802,445
Receipts	\$11,353,041
Net Appropriation	\$40,887,748

General Fund FTE

Enacted Budget	422.68
Legislative Changes	3.00
Revised Budget	425.68

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Department of Insurance		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13900		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	7,273,829	117,916	7,155,913	1,000,000	-	1,000,000	8,273,829	117,916	8,155,913
1200	Company Services Group	10,183,922	31,160	10,152,762	146,887	-	146,887	10,330,809	31,160	10,299,649
1400	Producers, Fraud and Products Group	8,778,957	2,919,461	5,859,496	94,702	-	94,702	8,873,659	2,919,461	5,954,198
1500	Office of State Fire Marshal	16,206,131	5,258,794	10,947,337	583,000	158,000	425,000	16,789,131	5,416,794	11,372,337
1600	Consumer Assistance Group	6,420,339	2,867,710	3,552,629	121,930	-	121,930	6,542,269	2,867,710	3,674,559
1900	Reserves and Transfers	687,109	-	687,109	-	-	-	687,109	-	687,109
Department-wide Items										
N/A	Compensation Increase Reserve	-	-	-	561,656	N/A	561,656	561,656	N/A	561,656
N/A	State Retirement Contribution	-	-	-	182,327	N/A	182,327	182,327	N/A	182,327
Total		\$49,550,287	\$11,195,041	\$38,355,246	\$3,252,158	\$158,000	\$3,094,158	\$52,802,445	\$11,353,041	\$40,887,748

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Department of Insurance					
Budget Code 13900		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	62.17	-	-	62.17
1200	Company Services Group	102.08	-	-	102.08
1400	Producers, Fraud and Products Group	95.00	1.00	-	96.00
1500	Office of State Fire Marshal	95.43	-	-	95.43
1600	Consumer Assistance Group	68.00	2.00	-	70.00
1900	Reserves and Transfers	-			-
Total FTE		422.68	3.00	-	425.68

(5.0) Insurance

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$38,355,246

Legislative Changes

Reserve for Salaries and Benefits

16 Compensation Increase Reserve	\$421,242	R
Fund Code: N/A	\$140,414	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4)

17 State Retirement Contributions	\$72,931	R
Fund Code: N/A	\$109,396	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Albemarle Building

18 Equipment		
Fund Code: 1100	\$1,000,000	NR

Provides funds for equipment and IT Infrastructure for the Albemarle Building. The building is scheduled to open in FY 2016-17. The revised net appropriation for this fund is \$8.2 million.

Captives Insurance Regulation

19 Actuary Funding \$146,887 R
Fund Code: 1200

Provides funds for an actuary position authorized under Session Law 2015-241. This position will provide support for the captives insurance industry and continue to market and promote the industry in North Carolina. The revised net appropriation for this fund is \$10.3 million. (H.B. 1140/S.B. 885)

Consumer Assistance Group

20 Consumer Staff Positions \$121,930 R
Fund Code: 1600

Funds 2 FTEs to assist individuals with insurance inquiries within the Consumer Assistance Group. The revised net appropriation for this fund is \$3.7 million.

2.00

Office of State Fire Marshal

21 State Fire Protection Program
Fund Code: 1500

Transfers \$158,000 in receipts from the Department of Transportation for FY 2016-17 on a nonrecurring basis to support the State Fire Protection grant program. The revised net appropriation for the State Fire Protection program is \$3.8 million. (H.B. 1140/S.B. 885) (This item also appears as part of the Transportation Section on page K12, item 23.)

22 Building Code Registry
Fund Code: 1500

\$425,000 NR

Provides funds to make the NC Building Code Registry fully online and searchable. The revised net appropriation for the Office of State Fire Marshal is \$11.4 million.

Producers, Fraud, and Products Group

23 Fraud Investigator \$94,702 R
Fund Code: 1400

Funds 1 FTE within the Producers, Fraud, and Products Group to investigate potential insurance fraud. The revised net appropriation for this fund is \$6.0 million.

1.00

Legislative Changes

\$857,692 R

\$1,674,810 NR

Total Position Changes

3.00

Revised Budget

\$40,887,748

Special Fund – Non-Interest Bearing

Budget Code: 23900

	FY 2016-17
Beginning Unreserved Fund Balance	\$2,227,193
Recommended Budget	
Requirements	\$45,571,476
Receipts	\$45,571,476
Positions	2.90

Legislative Changes

Requirements:

Rescue Squad Workers Relief Fund	\$1,456,931	
Restores the recurring transfer of a portion of vehicle inspection fee from the Department of Transportation, Division of Motor Vehicles to continue support of the State’s grant program that provides funding to eligible beneficiaries. The revised net appropriation for the Rescue Squad Worker’s Relief Fund is \$1,456,931. (H.B. 1140/S.B. 885)		
	\$0	NR
	0.00	
<p>(S.L. 2016-123, Sec. 8.4, Measurability Assessments/Budget Tech. Corr., amends this item to correct budget code references; Budget Code 23900 funds the Volunteer Rescue/EMS Fund in the amount of \$1,456,931 and Budget Code 23901 funds the Rescue Squad Workers' Relief Fund in the amount of \$957,352.)</p> <p>(This item also appears as part of the Transportation Section on page K 12, item 22.)</p>		
	\$1,456,931	R
Subtotal Legislative Changes	\$0	NR
	0.00	

Receipts:

Rescue Squad Workers' Relief Fund	\$1,456,931	
	\$0	NR

2016 Annotated Conference Committee Report

FY 2016-17

Subtotal Legislative Changes	\$1,456,931	R
	\$0	NR

Revised Total Requirements	\$47,028,407
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Revised Total Receipts	\$47,028,407
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Change in Fund Balance	\$0
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Total Positions	2.90
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Unappropriated Balance Remaining	\$2,227,193
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Special Fund – Non-Interest Bearing

Budget Code: 23901

	FY 2016-17
Beginning Unreserved Fund Balance	\$7,922,502
Recommended Budget	
Requirements	\$346,233
Receipts	\$346,233
Positions	3.50

Legislative Changes

Requirements:

Volunteer Rescue/EMS Program	\$957,352	R
Continues the transfer of a portion of vehicle inspection fee from the Department of Transportation, Division of Motor Vehicles to continue support of the State’s grant program that provides funding to local rescue organizations. The revised net appropriation for the Volunteer Rescue/EMS Program Fund is \$1.0 million. (H.B. 1140/S.B. 885)	\$0	NR
(S.L. 2016-123, Sec. 8.4, Measurability Assessments/Budget Tech. Corr., amends this item to correct budget code references; Budget Code 23900 funds the Volunteer Rescue/EMS Fund in the amount of \$1,456,931 and Budget Code 23901 funds the Rescue Squad Workers' Relief Fund in the amount of \$957,352)	0.00	
(This item also appears as part of the Transportation Section on page K 12, item 22.)	\$957,352	R
	\$0	NR
Subtotal Legislative Changes	0.00	

Receipts:

Volunteer Rescue/EMS Grants	\$957,352	R
	\$0	NR

2016 Annotated Conference Committee Report

FY 2016-17

Subtotal Legislative Changes	\$957,352	R
	\$0	NR

Revised Total Requirements	\$1,303,585
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Revised Total Receipts	\$1,303,585
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Change in Fund Balance	\$0
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Total Positions	3.50
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Unappropriated Balance Remaining	\$7,922,502
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Special Provisions

2016 Session: HB 1030

Department: (5.0) Insurance

Section: 23.1

Title: **INSURANCE REGULATORY CHARGE**

Summary Maintains the Insurance Regulatory Charge at 6.5% for the 2017 calendar year.

2016 Session: HB 805

Department: (5.0) Insurance

Section: 8.4

Title: **TECHNICAL CHANGE: BUDGET CODE CORRECTION**

Summary Amends S.L. 2016-94, 2016 Appropriations Act, to correct a budget code reference to reflect budget code 23900 as funding the Volunteer Rescue/EMS Fund. (H.B. 1140/S.B. 885)

Subsection (b) Amends S.L. 2016-94, 2016 Appropriations Act, to correct a budget code reference budget code 23901 as funding the Rescue Squad Workers' Relief Fund. (H.B. 1140/S.B. 885)

**State Board of Elections
Budget Code 18025**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$6,617,898
Receipts	\$104,535
Net Appropriation	\$6,513,363
 Legislative Changes	
Requirements	\$117,012
Receipts	\$0
Net Appropriation	\$117,012
 Revised Budget	
Requirements	\$6,734,910
Receipts	\$104,535
Net Appropriation	\$6,630,375

General Fund FTE

Enacted Budget	61.00
Legislative Changes	0.00
Revised Budget	61.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

State Board of Elections		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 18025		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Administration	995,627	102,000	893,627	-	-	-	995,627	102,000	893,627
1200	Campaign Reporting	1,400,604	2,535	1,398,069	-	-	-	1,400,604	2,535	1,398,069
1201	Ethics and Campaign Reform	96,945	-	96,945	-	-	-	96,945	-	96,945
1300	Voter Registration and Voting Systems	3,117,696	-	3,117,696	-	-	-	3,117,696	-	3,117,696
1400	Voter Information Verification Act (VIVA)	1,007,026	-	1,007,026	-	-	-	1,007,026	-	1,007,026
Department-wide Items										
N/A	Compensation Increase Reserve	-	-	-	88,292	N/A	88,292	88,292	N/A	88,292
N/A	State Retirement Contributions	-	-	-	28,720	N/A	28,720	28,720	N/A	28,720
Total		\$6,617,898	\$104,535	\$6,513,363	\$117,012	\$0	\$117,012	\$6,734,910	\$104,535	\$6,630,375

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

State Board of Elections					
Budget Code 18025		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Administration	7.00	-	-	7.00
1200	Campaign Reporting	18.00	-	-	18.00
1201	Ethics and Campaign Reform	-	-	-	-
1300	Voter Registration and Voting Systems	29.00	-	-	29.00
1400	Voter Information Verification Act (VIVA)	7.00	-	-	7.00
Total FTE		61.00	-	-	61.00

(6.0) State Board of Elections

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$6,513,363

Legislative Changes

Reserve for Salaries and Benefits

24 Compensation Increase Reserve	\$66,219	R
Fund Code: N/A	\$22,073	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4)

25 State Retirement Contributions	\$11,488	R
Fund Code: N/A	\$17,232	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Legislative Changes	\$77,707	R
	\$39,305	NR

Total Position Changes

Revised Budget	\$6,630,375	
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Special Provisions

2016 Session: **HB 1030**

Department: (6.0) State Board of Elections

Section: 24.1

Title: **STATE BOARD OF ELECTIONS/ACCESS TO DMV RECORDS**

Summary Amends G.S. 20-43(a) to authorize the State's Chief Information Officer of State Board of Elections to have access to the electronic signature of a voter who has registered through the Division of Motor Vehicles for the purposes of verification of the voter's registration. (H.B. 1140/S.B. 885)

**General Assembly
Budget Code 11000**

(As amended by S.L. 2016-123,
Measurability Assessments/Budget Tech. Corr.)

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$58,225,706
Receipts	\$1,216,655
Net Appropriation	\$57,009,051
Legislative Changes	
Requirements	\$7,868,095
Receipts	\$0
Net Appropriation	\$7,868,095
Revised Budget	
Requirements	\$64,877,146
Receipts	\$1,216,655
Net Appropriation	\$64,877,146

General Fund FTE

Enacted Budget	315.25
Legislative Changes	1.00
Revised Budget	316.25

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session
(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)**

General Assembly		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 11000		Requirements	Receipts	Net	Requirements	Receipts	Net	Requirements	Receipts	Net
Fund	Fund Name									
1110	Senate	9,909,066	-	9,909,066	1,500,000	-	1,500,000	11,409,066	-	11,409,066
1120	House of Representatives	14,804,645	-	14,804,645	-	-	-	14,804,645	-	14,804,645
1211	Administrative Division	8,791,033	6,000	8,785,033	61,279	-	61,279	8,852,312	6,000	8,846,312
1212	Bill Drafting Division	3,026,682	-	3,026,682	-	-	-	3,026,682	-	3,026,682
1213	Legislative Analysis Division	5,206,225	-	5,206,225	-	-	-	5,206,225	-	5,206,225
1214	Fiscal Research Division	4,782,066	-	4,782,066	-	-	-	4,782,066	-	4,782,066
1215	Building Maintenance	2,355,867	-	2,355,867	-	-	-	2,355,867	-	2,355,867
1216	Food Service	1,786,699	1,053,600	733,099	-	-	-	1,786,699	1,053,600	733,099
1217	Information Systems	5,905,342	-	5,905,342	-	-	-	5,905,342	-	5,905,342
1219	Program Evaluation Division	1,466,751	-	1,466,751	1,000,000	-	1,000,000	2,466,751	-	2,466,751
1900	Committees and Other Reserves	191,330	157,055	34,275	-	-	-	191,330	157,055	34,275
Department-wide Items										
N/A	Budget Additions	-	-	-	3,000,000	N/A	3,000,000	3,000,000	N/A	3,000,000
N/A	Compensation Increases	-	-	-	954,191	N/A	954,191	954,191	N/A	954,191
N/A	Compensation Bonus Reserve - Legislative Branch	-	-	-	477,096	N/A	477,096	477,096	N/A	477,096
N/A	Legislative Retirement Contributions	-	-	-	594,404	N/A	594,404	594,404	N/A	594,404
N/A	Retirement System Contributions	-	-	-	281,125	N/A	281,125	281,125	N/A	281,125
Total		\$58,225,706	\$1,216,655	\$57,009,051	\$7,868,095	\$0	\$7,868,095	\$64,877,146	\$1,216,655	\$64,877,146

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session
(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)

General Assembly					
Budget Code 11000					
Fund	Fund Name	<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
		Total	Net	Receipts	Total
1110	Senate	46.00	-	-	46.00
1120	House of Representatives	26.00	-	-	26.00
1211	Administrative Division	41.00	1.00	-	42.00
1212	Bill Drafting Division	16.00	-	-	16.00
1213	Legislative Analysis Division	48.00	-	-	48.00
1214	Fiscal Research Division	39.00	-	-	39.00
1215	Building Maintenance	24.00	-	-	24.00
1216	Food Service	20.25	-	-	20.25
1217	Information Systems	38.00	-	-	38.00
1219	Program Evaluation Division	15.00	-	-	15.00
1900	Committees and Other Reserves	2.00	-	-	2.00
Total FTE		315.25	1.00	-	316.25

(7.0) General Assembly

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$57,009,051

Legislative Changes

Reserve for Salaries and Benefits

26 Compensation Increase Reserve	\$715,643	R
Fund Code: N/A	\$238,548	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.7, 36.8, 36.9 36.14, 36.15, 36.16, and 36.17,)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4)

27 Compensation Bonus Reserve - Legislative Branch	\$477,096	NR
Fund Code: N/A		

Provides funding for one-time merit-based bonuses for State employees. The Legislative Services Commission shall develop policies for the allocation of merit-based bonuses. Merit-based bonuses provided by employing agencies shall not be considered compensation for retirement purposes. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million. (S.L. 2016-94, Sec. 36.1A)

28 State Retirement Contributions	\$112,450	R
Fund Code: N/A	\$168,675	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

29 Legislative Retirement Contributions \$552,050 R
Fund Code: N/A \$42,354 NR

Increases the State’s contribution for members of the Legislative Retirement System (LRS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

The revised net appropriation for members of LRS is estimated to be \$862,284. (S.L. 2016-94, Secs. 36.20 and 36.21)

Administration

30 Youth Legislative Assembly Position Transfer \$61,279 R
Fund Code: 1211 1.00

Transfers the following position, including the salary and benefits, from the Youth Advocacy and Involvement Office to the General Assembly:

Administrative Officer II 60014065 (S.L. 2016-94, Sec. 32.5)

(S.L. 2016-123, Measurability Assessments/Budget Tech. Corr., amends this item to clarify that the transfer of the Administrative Assistant position shall occur on July 1, 2016. The remaining budget for the program will be transferred as part of a Type II transfer.)

(This item also appears within the Department of Administration of the General Government section of the Conference Committee Report. See page J-103, item 78.)

Agency Wide

31 Budget Additions \$3,000,000 R
Fund Code: N/A \$1,000,000 NR

Provides additional funding for the General Assembly’s operations, temporary staffing requirements, and other expenditures associated with running the session. This recurring funding will realign the General Assembly’s structural operating budget to account for differences in expenditures between Short Session and Long Session. This appropriation is offset by a reduction in the special fund account 21000. The revised net appropriation for the General Assembly is \$64.8 million. (H.B. 1140/S.B. 885, S.L. 2016-94, Sec. 25.1)

Senate

32 Operating Funds \$1,500,000 R
Fund Code: 1110

Provides additional operating funds for the North Carolina General Assembly’s Senate budget. The revised net appropriation for this fund code is \$11.4 million.

Legislative Changes	\$5,941,422	R
	\$1,926,673	NR
Total Position Changes	1.00	
Revised Budget	\$64,877,146	

Special Fund – Non-Interest Bearing

Budget Code: 21000

	FY 2016-17
Beginning Unreserved Fund Balance	\$9,284,152
Recommended Budget	
Requirements	\$400,000
Receipts	\$0
Positions	0.00

Legislative Changes

Requirements:

Budget Correction	(\$400,000) R
Eliminates a transfer out of this fund. The revised net appropriation for this fund is \$0. (H.B. 1140/S.B. 885)	\$0 NR
	0.00
Operations	\$0 R
Transfers funds from the reserve account to General Fund availability for the purpose of providing funds for operations.	\$3,000,000 NR
	0.00
Subtotal Legislative Changes	(\$400,000) R
	\$3,000,000 NR
	0.00

Receipts:

North Carolina General Assembly	\$0 R
	\$0 NR
Subtotal Legislative Changes	\$0 R
	\$0 NR

FY 2016-17

Revised Total Requirements	\$3,000,000
Revised Total Receipts	\$0
Change in Fund Balance	(\$3,000,000)
Total Positions	0.00

Unappropriated Balance Remaining	\$6,284,152
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Special Provisions

2016 Session: **HB 1030**

Department: (7.0) General Assembly

Section: 25.1

Title: **SCHOOL CONSTRUCTION NEEDS STUDY**

Summary Directs the Program Evaluation Division (PED) to contract for an independent assessment of the State's public school construction needs to determine which counties have the highest facility needs in relation to their ability to generate revenue to meet those needs . This section also requires a report to be submitted to the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative Economic Development and Global Engagement Oversight Committee by March 15, 2017. (H.B. 1140/S.B. 885)

**Office of the Governor
Budget Code 13000**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$6,120,837
Receipts	\$554,663
Net Appropriation	\$5,566,174
Legislative Changes	
Requirements	\$107,248
Receipts	\$0
Net Appropriation	\$107,248
Revised Budget	
Requirements	\$6,228,085
Receipts	\$554,663
Net Appropriation	\$5,673,422

General Fund FTE

Enacted Budget	54.20
Legislative Changes	0.00
Revised Budget	54.20

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Office of the Governor		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13000		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	Administration	5,460,791	436,366	5,024,425	-	-	-	5,460,791	436,366	5,024,425
1631	Raleigh Executive Residence	644,587	111,297	533,290	-	-	-	644,587	111,297	533,290
1632	Western Executive Residence	15,459	7,000	8,459	-	-	-	15,459	7,000	8,459
Department-wide Items										
N/A	Compensation Increase Reserve	-	-	-	80,848	N/A	80,848	80,848	N/A	80,848
N/A	State Retirement Contributions	-	-	-	26,400	N/A	26,400	26,400	N/A	26,400
Total		\$6,120,837	\$554,663	\$5,566,174	\$107,248	\$0	\$107,248	\$6,228,085	\$554,663	\$5,673,422

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Office of the Governor					
Budget Code 13000		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	51.20	-	-	51.20
1631	Raleigh Executive Residence	3.00	-	-	3.00
1632	Western Executive Residence	-	-	-	-
Total FTE		54.20	-	-	54.20

(8.0) Governor

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$5,566,174

Legislative Changes

Reserve for Salaries and Benefits

33 Compensation Increase Reserve

\$60,636 R

Fund Code: N/A

\$20,212 NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4)

34 State Retirement Contributions

\$10,560 R

Fund Code: N/A

\$15,840 NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Legislative Changes

\$71,196 R

\$36,052 NR

Total Position Changes

Revised Budget

\$5,673,422

Special Provisions

2016 Session: HB 1030

Department: (8.0) Governor

Section:

Title: **No Special Provisions**

Summary

2016 Session: HB 805

Department: (8.0) Governor

Section: 8.1

Title: **General Government**

Summary Directs that \$500,000 in nonrecurring funds be transferred from the State Emergency Response and Disaster Relief Fund to the Governor's Office to be used for litigation costs related to S.L. 2016-3, Public Facilities Privacy and Security Act, for FY 2016-17. (H.B. 1140/S.B. 885)

**Office of the Governor - Special
Budget Code 13001**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$2,334,447
Receipts	\$334,447
Net Appropriation	\$2,000,000
Legislative Changes	
Requirements	\$313
Receipts	\$0
Net Appropriation	\$313
Revised Budget	
Requirements	\$2,334,760
Receipts	\$334,447
Net Appropriation	\$2,000,313

General Fund FTE

Enacted Budget	3.39
Legislative Changes	0.00
Revised Budget	3.39

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Office of the Governor - Special Budget Code 13001		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1A15	Education and Workforce Innovation Program	2,000,000	-	2,000,000	-	-	-	2,000,000	-	2,000,000
1R30	Governor's Special Projects	334,447	334,447	-	-	-	-	334,447	334,447	-
Department-wide Items										
N/A	Compensation Increase Reserve	-	-	-	313	N/A	313	313	N/A	313
Total		\$2,334,447	\$334,447	\$2,000,000	\$313	\$0	\$313	\$2,334,760	\$334,447	\$2,000,313

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Office of the Governor - Special					
Budget Code 13001		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1A15	Education and Workforce Innovation Program	0.20	-	-	0.20
1R30	Governor's Special Projects	3.19	-	-	3.19
Total FTE		3.39	-	-	3.39

(9.0) Governor - Special Projects

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$2,000,000

Legislative Changes

Reserve for Salaries and Benefits

35 Compensation Increase Reserve

\$235 R

Fund Code: N/A

\$78 NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4)

Legislative Changes

\$235 R

\$78 NR

Total Position Changes

Revised Budget

\$2,000,313

Special Provisions

2016 Session: **HB 1030**

Department: (9.0) Governor - Special Projects

Section:

Title: **No Special Provisions**

Summary

**Office of State Budget and Management
Budget Code 13005**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$8,103,291
Receipts	\$571,883
Net Appropriation	\$7,531,408
Legislative Changes	
Requirements	\$440,763
Receipts	\$0
Net Appropriation	\$440,763
Revised Budget	
Requirements	\$8,544,054
Receipts	\$571,883
Net Appropriation	\$7,972,171

General Fund FTE

Enacted Budget	69.31
Legislative Changes	3.00
Revised Budget	72.31

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Office of State Budget and Management		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13005										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1310	Office of State Budget and Management	7,797,082	265,674	7,531,408	278,200	-	278,200	8,075,282	265,674	7,809,608
1322	NC GEAR	306,209	306,209	-	-	-	-	306,209	306,209	-
Department-wide Items										
N/A	Compensation Increase Reserve	-	-	-	122,663	N/A	122,663	122,663	N/A	122,663
N/A	State Retirement Contributions	-	-	-	39,900	N/A	39,900	39,900	N/A	39,900
Total		\$8,103,291	\$571,883	\$7,531,408	\$440,763	\$0	\$440,763	\$8,544,054	\$571,883	\$7,972,171

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Office of State Budget and Management					
Budget Code 13005		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1310	Office of State Budget and Management	65.31	3.00	-	68.31
1322	NC GEAR	4.00	-	-	4.00
Total FTE		69.31	3.00	-	72.31

(10.0) State Budget & Management

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$7,531,408

Legislative Changes

Reserve for Salaries and Benefits

36 Compensation Increase Reserve	\$91,997	R
Fund Code: N/A	\$30,666	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4)

37 State Retirement Contributions	\$15,960	R
Fund Code: N/A	\$23,940	NR

Increases the State’s contribution for members of the Teachers’ and State Employees’ Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Office of State Budget and Management

38 Connect NC Bond Staff	\$278,200	R
Fund Code: 1310		

Provides funding for 3 staff to assist agencies as needed with Connect NC Bond projects. The revised net appropriation for this fund is \$8.0 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 32.7)

3.00

Legislative Changes	\$386,157	R
	\$54,606	NR
Total Position Changes	3.00	
Revised Budget	\$7,972,171	

Dorothea Dix Land Proceeds

Budget Code: 63008

	FY 2016-17
Beginning Unreserved Fund Balance	\$52,102,273
Recommended Budget	
Requirements	\$0
Receipts	\$0
Positions	0.00
<hr/>	
Legislative Changes	
Requirements:	
Child Facility-Based Crisis Centers	\$0 R
Provides funds to the Department of Health and Human Services, Budget Code 24460 for start-up costs (renovation or construction) to establish up to 2 new child facility-based crisis centers. Funds will be awarded on a competitive basis. The Department shall establish a process for applying for these grants, criteria for evaluating applications, and a process for allocating grants. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12F.4)	\$2,000,000 NR 0.00
Inpatient Behavioral Health Beds	\$0 R
Transfers funds to the Department of Health and Human Services, Budget Code 24460 for the purpose of expanding inpatient capacity in rural areas near counties with limited inpatient capacity relative to their needs through constructing new beds or renovating existing beds to form new inpatient psychiatric units. Beds constructed or converted with these funds shall be named in honor of Dorothea Dix. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 12F.4)	\$18,000,000 NR 0.00
Subtotal Legislative Changes	\$0 R \$20,000,000 NR 0.00

Receipts:

2016 Annotated Conference Committee Report

	FY 2016-17	
Dorothea Dix Proceeds	\$0	R
	\$0	NR
Subtotal Legislative Changes	\$0	R
	\$0	NR
<hr/>		
Revised Total Requirements	\$20,000,000	
Revised Total Receipts	\$0	
Change in Fund Balance	(\$20,000,000)	
Total Positions	0.00	
<hr/>		
Unappropriated Balance Remaining	\$32,102,273	

Special Provisions

2016 Session: **HB 1030**

Department: (10.0) State Budget & Management

Section: 27.1

Title: **IMPROVE BUDGETING TRANSPARENCY/OFFICE OF STATE TREASURER**

Summary Directs the Office of State Budget and Management to study the feasibility of converting several funds within Budget Code 13410 to General Fund supported and develop a plan and schedule that would present the Department of State Treasurer's budget differently.

The report shall be submitted to the Joint Legislative Oversight Committee on General Government and presented at the December 2016 meeting.

Section: 27.3

Title: **CONNECT NC BOND ADMINISTRATION**

Summary Directs the funding appropriated for Connect NC Bond (Bond) positions to be used solely for the purpose of administering the Bond. This section also directs positions associated with the Bond be eliminated once the Bond is completed.

**Office of State Budget and Management - Special
Budget Code 13085**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$2,000,000
Receipts	\$0
Net Appropriation	\$2,000,000
 Legislative Changes	
Requirements	\$20,700,000
Receipts	\$0
Net Appropriation	\$20,700,000
 Revised Budget	
Requirements	\$22,700,000
Receipts	\$0
Net Appropriation	\$22,700,000

General Fund FTE

Enacted Budget	0.00
Legislative Changes	0.00
Revised Budget	0.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Office of State Budget and Management - Special Budget Code 13085		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1022	Special Appropriations	2,000,000	-	2,000,000	20,700,000	-	20,700,000	22,700,000	-	22,700,000
Department-wide Items										
Total		\$2,000,000	\$0	\$2,000,000	\$20,700,000	\$0	\$20,700,000	\$22,700,000	\$0	\$22,700,000

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Office of State Budget and Management - Special					
Budget Code 13085		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1022	Special Appropriations	-	-	-	-
Total FTE		-	-	-	-

(11.0) State Budget and Management - Special

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$2,000,000

Legislative Changes

39 Career and Technical Education School Renovation Funds

Fund Code: 1022 \$5,000,000 NR

Provides funds to Onslow County to retrofit and purchase equipment for a regional career and technical education center. The revised net appropriation for this project is \$5.0 million.

40 Averagesboro Town Restoration Association, Inc.

Fund Code: 1022 \$50,000 NR

Provides a grant-in-aid of \$50,000 to the Averagesboro Town Restoration Association, Inc. The revised net appropriation for this grant-in-aid for FY 2016-17 is \$50,000.

41 NC Highway 70 Emergency Stabilization Funds

Fund Code: 1022 \$250,000 NR

Provides a grant-in-aid to the Town of Hickory to mitigate structural damage to Highway 70. The revised net appropriation for this project is \$250,000.

42 Facility Rehabilitation

Fund Code: 1022 \$300,000 NR

Provides funds to the Andrew Jackson Historical Foundation, Inc. to renovate the Museum of the Waxhaws. The revised net appropriation for the museum is \$300,000.

43 NC Symphony

Fund Code: 1022 \$500,000 R
(\$500,000) NR

Provides additional recurring funds for the NC Symphony for a challenge grant. The NC Symphony must demonstrate to the Office of State Budget and Management that it raises \$9 million during FY 2016-17 in order to receive these grant funds. The revised net appropriation for the NC Symphony is \$2.0 million. (S.L. 2016-94, Sec. 27.2)

- 44 YMCA Grants-in-aid**

Fund Code: 1022 \$450,000 NR

Provides grants-in-aid to the following branches of the YMCA:

 - Southeast Raleigh YMCA \$250,000
 - Cary Family YMCA \$100,000
 - Randolph-Asheboro YMCA \$50,000
 - Alamance County YMCA \$50,000

The revised net appropriation for YMCA grants-in-aid is \$450,000.
- 45 Healing Waters Fly Fishing, Inc.**

Fund Code: 1022 \$50,000 NR

Provides a grant-in-aid to the Healing Waters Fly Fishing, Inc. The revised net appropriation to this entity for FY 2016-17 is \$50,000.
- 46 Recreation Grants-in-aid**

Fund Code: 1022 \$1,350,000 NR

Provides grants-in-aid to the following:

 - Watauga County for tourism and development for New River access points \$50,000
 - Watauga County for Middle Fork Greenway \$100,000
 - City of Fayetteville for connector for Cape Fear River trail \$125,000
 - Harnett County Veterans Council Park \$50,000
 - Mecklenburg County Sportsplex \$1,000,000
 - Liberty Veterans Memorial and Gardens \$25,000
- 47 Sidewalk Projects**

Fund Code: 1022 \$1,000,000 NR

Provides a grant-in-aid of \$500,000 to the Town of Matthews to complete sidewalks to handle increased pedestrian traffic and provides a grant-in-aid of \$500,000 to the Town of Mint Hill to complete sidewalks in and around the downtown area. The revised net appropriation for these sidewalk projects is \$1.0 million.
- 48 Communities in Schools of Caldwell County**

Fund Code: 1022 \$100,000 NR

Provides a grant-in-aid to Communities in Schools of Caldwell County to relocate a historical building within the City of Lenoir. The revised net appropriation for this project is \$100,000.
- 49 Kernersville Foundation Grant**

Fund Code: 1022 \$50,000 NR

Provides a grant-in-aid to the Kernersville Foundation. The revised net appropriation for this foundation is \$50,000.

50 North Carolina Policy Collaboratory

Fund Code: 1022 \$3,500,000 NR

Provides funds to the Office of State Budget and Management to administer a new challenge grant to UNC-Chapel Hill for the North Carolina Policy Collaboratory. UNC-Chapel Hill is required to match one-to-one the grant funds. The revised net appropriation for this challenge grant is \$3.5 million. (S.L. 2016-94, Sec. 27.5)

51 Applied Physical Sciences

Fund Code: 1022 \$4,000,000 NR

Provides funds to Office of State Budget and Management to administer a new challenge grant for applied physical sciences at UNC-Chapel Hill. Receipt of these grant funds will require a one-to-one match by the recipient. The revised net appropriation for this challenge grant is \$4.0 million. (S.L. 2016-94, Sec. 27.6)

52 Macon County Community Funding Pool Grant

Fund Code: 1022 \$100,000 NR

Provides a grant-in-aid to the Macon County Community Funding Pool. The revised net appropriation for the grant-in-aid to the Macon County Community Funding Pool is \$100,000.

53 Local History Museums

Fund Code: 1022 \$100,000 NR

Provides grants of \$50,000 each to local history museums in Burke County and Sampson County. The entities receiving funds are The History Museum of Burke County and Sampson County History Museum. The revised net appropriation for these grants is \$100,000.

54 Project New Hope Funding

Fund Code: 1022 \$50,000 NR

Provides a grant-in-aid of \$50,000 nonrecurring to Project New Hope. The revised net appropriation for this grant-in-aid is \$50,000.

55 School Construction Funds

Fund Code: 1022 \$3,000,000 NR

Provides funds to Jones County for the construction of a collocated middle and high school. The revised net appropriation for FY 2016-17 for this project is \$3.0 million. (S.L. 2016-94, Sec. 27.4)

56 Asbestos Abatement

Fund Code: 1022 \$250,000 NR

Provides \$250,000 to Iredell County for an asbestos abatement project at the Old Davis Hospital Site. The revised net appropriation for this project is \$250,000.

57 Farmington Community Center Funding

Fund Code: 1022 \$100,000 NR

Provides a nonrecurring grant-in-aid of \$100,000 to the Farmington Community Center. The revised net appropriation for this grant-in-aid is \$100,000.

58 New Hanover County

Fund Code: 1022 \$1,000,000 NR

Provides a grant-in-aid to New Hanover Board of Education for the purpose of planning a new Career and Technical Education High School in partnership with Cape Fear Community College. Funds may be used for planning and implementation. The revised net appropriation for this project is \$1.0 million.

Legislative Changes	\$500,000	R
	\$20,200,000	NR
Total Position Changes		
Revised Budget	\$22,700,000	

Special Provisions

2016 Session: HB 1030

Department: (11.0) State Budget and Management - Special

Section: 27.2

Title: **SYMPHONY CHALLENGE GRANT**

Summary Amends S.L. 2015-241, Sec. 23.1(a) to change the designation of the North Carolina Symphony challenge grant funds from nonrecurring to recurring.

Section: 27.4

Title: **DISPOSITION OF CERTAIN FUNDS**

Summary Exempts certain special appropriations from reverting June 30, 2016, in accordance to G.S. 143C-6-23(f1)(1), the requirement that unused State appropriations revert at the end of a fiscal year and makes other changes as follows:

Subsections (a) and (c) exempt the FY 2015-16 special appropriations for (1) Jones County school construction funds, (2) Project Healing Waters Fly Fishing, Inc., and (3) Averagesboro Battlefield Commission from reverting June 30, 2016.

These subsections also expand the uses of the funds appropriated for Project Healing Waters Fly Fishing, Inc., to include travel and lodging and authorizes the funds appropriated for the Averagesboro Battlefield Commission to the Averagesboro Town Restoration Association, Inc., to purchase and relocate the Shaw Halfway House.

Subsection (b) exempts FY 2016-17 funds appropriated for construction of a collocated middle and high school in Jones County from the State reversion requirement in G.S. 143C-6-23(f1)(1).

Section: 27.5

Title: **NORTH CAROLINA POLICY COLLABORATORY AT THE UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL**

Summary Requires the UNC Board of Trustees to match dollar for dollar in non-State funds the \$3.5 million appropriated for the operation of the North Carolina Policy Collaboratory.

Section: 27.6

Title: **SUPPORT DEPARTMENT OF APPLIED PHYSICAL SCIENCES AT UNC-CHAPEL HILL**

Summary Requires the UNC Board of Trustees to match dollar for dollar in non-State funds the \$4.0 million appropriated for the operation of the Department of Applied Physical Sciences.

**Office of the State Auditor
Budget Code 13300**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$17,576,536
Receipts	\$5,571,745
Net Appropriation	\$12,004,791
Legislative Changes	
Requirements	\$501,059
Receipts	\$0
Net Appropriation	\$501,059
Revised Budget	
Requirements	\$18,077,595
Receipts	\$5,571,745
Net Appropriation	\$12,505,850

General Fund FTE

Enacted Budget	168.00
Legislative Changes	0.00
Revised Budget	168.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Office of the State Auditor		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13300		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1110	Administration	2,567,022	-	2,567,022	-	-	-	2,567,022	-	2,567,022
1210	Field Audit Division	15,009,514	5,571,745	9,437,769	212,371	-	212,371	15,221,885	5,571,745	9,650,140
Department-wide Items										
N/A	Compensation Increase Reserve	-	-	-	217,831	N/A	217,831	217,831	N/A	217,831
N/A	Retirement System Contributions	-	-	-	70,857	N/A	70,857	70,857	N/A	70,857
Total		\$17,576,536	\$5,571,745	\$12,004,791	\$501,059	\$0	\$501,059	\$18,077,595	\$5,571,745	\$12,505,850

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Office of the State Auditor					
Budget Code 13300		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	23.00	-	-	23.00
1210	Field Audit Division	145.00	-	-	145.00
Total FTE		168.00	-	-	168.00

(12.0) Auditor

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$12,004,791

Legislative Changes

Reserve for Salaries and Benefits

59 Compensation Increase Reserve	\$163,373	R
Fund Code: N/A	\$54,458	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

60 State Retirement Contributions	\$28,343	R
Fund Code: N/A	\$42,514	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Field Audit Division

61 Subject Matter Experts		
Fund Code: 1210	\$150,000	NR

Provides \$150,000 on a nonrecurring basis for the use of subject matter experts during audits. The revised net appropriation for this fund from all actions in this report is \$9.7 million.

62 Security Officer	\$55,065	R
Fund Code: 1210	\$7,306	NR

Provides funding to allow the Office of the State Auditor to contract with the State Capitol Police for 1 full time security officer to be located in the building shared by the Office of the State Auditor, Secretary of State, and Department of Labor. The revised net appropriation for this fund from all actions in this report is \$9.7 million. (H.B. 1140/S.B. 885)

Legislative Changes	\$246,781	R
	\$254,278	NR
Total Position Changes		
Revised Budget	\$12,505,850	

Special Provisions

2016 Session: **HB 1030**

Department: (12.0) Auditor

Section:

Title: **No Special Provisions**

Summary

Housing Finance Agency

Budget Code 13010

(As amended by S.L. 2016-123,
Measurability Assessments/Budget Tech. Corr.)

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$25,660,000
Receipts	\$0
Net Appropriation	\$25,660,000
Legislative Changes	
Requirements	\$5,000,000
Receipts	\$0
Net Appropriation	\$5,000,000
Revised Budget	
Requirements	\$30,660,000
Receipts	\$0
Net Appropriation	\$30,660,000

General Fund FTE

Enacted Budget	0.00
Legislative Changes	0.00
Revised Budget	0.00

Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session
(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)

Housing Finance Agency		<u>Enacted Budget</u>			<u>Legislative Changes</u>			<u>Revised Budget</u>		
Budget Code 13010										
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1100	Housing Finance Agency Appropriations	25,660,000	-	25,660,000	5,000,000	-	5,000,000	30,660,000	-	30,660,000
Department-wide Items										
Total		\$25,660,000	\$0	\$25,660,000	\$5,000,000	\$0	\$5,000,000	\$30,660,000	\$0	\$30,660,000

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Housing Finance Agency					
Budget Code 13010		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1100	Housing Finance Agency Appropriations	-	-	-	-
Total FTE		-	-	-	-

(13.0) Housing Finance Agency

GENERAL FUND

	FY 16-17
Total Budget Enacted 2015 Session	\$25,660,000

Legislative Changes

63 Workforce Housing Loan Program

Fund Code: 1100 \$5,000,000 NR

Provides funding for the Workforce Housing Loan Program (WHLP) to assist with the development of low-income housing units across the State. The revised net appropriation for the WHLP is \$20.0 million.

(S.L. 2016-123, Measurability Assessments/Budget Tech. Corr., Sec. 8.2 removes this item, appropriating funds to the Deferred State Aid special fund for the CLHF, rather than the General Fund.)

Legislative Changes	\$5,000,000	NR
Total Position Changes		
Revised Budget	\$30,660,000	

Deferred State Aid

Budget Code: 63011

	FY 2016-17
Beginning Unreserved Fund Balance	\$0
Recommended Budget	
Requirements	\$0
Receipts	\$0
Positions	0.00

Legislative Changes

Requirements:

Community Living Housing Fund

Authorizes the Housing Finance Agency to expend receipts transferred from the Department of Health and Human Services for the Community Living Housing Fund (CLHF). These funds increase access to permanent, community-based integrated housing for individuals with disabilities in support of the Olmstead Settlement. The revised requirements for the CLHF are \$5,519,750. (H.B. 1140/S.B. 885)

	\$0	R
	\$5,519,750	NR
	0.00	

(S.L. 2016-123, Measurability Assessments/Budget Tech. Corr., Sec. 8.2 adds this item, appropriating funds to the Deferred State Aid special fund for the CLHF, rather than the General Fund.)

Subtotal Legislative Changes

	\$0	R
	\$5,519,750	NR
	0.00	

Receipts:

Community Living Housing Fund

	\$0	R
	\$5,519,750	NR

Subtotal Legislative Changes

	\$0	R
	\$5,519,750	NR

FY 2016-17

Revised Total Requirements	\$5,519,750
Revised Total Receipts	\$5,519,750
Change in Fund Balance	\$0
Total Positions	0.00

Unappropriated Balance Remaining	\$0
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Special Provisions

2016 Session: HB 805

Department: (13.0) Housing Finance Agency

Section: 8.2

Title: **TECHNICAL CHANGE: CORRECT BUDGET CODE REFERENCE**

Summary Amends S.L. 2016-94, 2016 Appropriations Act, correcting the budget code reference to which funds are for the Community Living Housing Fund.

**Secretary of State
Budget Code 13200**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$11,812,320
Receipts	\$61,625
Net Appropriation	\$11,750,695
Legislative Changes	
Requirements	\$878,913
Receipts	\$0
Net Appropriation	\$878,913
Revised Budget	
Requirements	\$12,691,233
Receipts	\$61,625
Net Appropriation	\$12,629,608

General Fund FTE

Enacted Budget	169.88
Legislative Changes	6.00
Revised Budget	175.88

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Secretary of State		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13200		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1110	General Administration	3,239,053	1,000	3,238,053	-	-	-	3,239,053	1,000	3,238,053
1120	Publications Division	226,352	21,700	204,652	-	-	-	226,352	21,700	204,652
1150	Lobbyist Registration	326,523	-	326,523	-	-	-	326,523	-	326,523
1210	Corporations Division	3,178,785	2,100	3,176,685	-	-	-	3,178,785	2,100	3,176,685
1220	Certification and Filing Division	2,446,347	34,825	2,411,522	-	-	-	2,446,347	34,825	2,411,522
1230	Securities Division	1,682,769	2,000	1,680,769	632,615	-	632,615	2,315,384	2,000	2,313,384
1600	Charitable Fundraising Licensure	712,491	-	712,491	-	-	-	712,491	-	712,491
Department-wide Items										
N/A	Compensation Increases	-	-	-	185,948	N/A	185,948	185,948	N/A	185,948
N/A	Retirement System Contributions	-	-	-	60,350	N/A	60,350	60,350	N/A	60,350
Total		\$11,812,320	\$61,625	\$11,750,695	\$878,913	\$0	\$878,913	\$12,691,233	\$61,625	\$12,629,608

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Secretary of State					
Budget Code 13200		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	General Administration	34.10	-	-	34.10
1120	Publications Division	2.73	-	-	2.73
1150	Lobbyist Registration	5.00	-	-	5.00
1210	Corporations Division	57.87	-	-	57.87
1220	Certification and Filing Division	40.00	-	-	40.00
1230	Securities Division	20.75	6.00	-	26.75
1600	Charitable Fundraising Licensure	9.43	-	-	9.43
Total FTE		169.88	6.00	-	175.88

(14.0) Secretary of State

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$11,750,695

Legislative Changes

Reserve for Salaries and Benefits

64 Compensation Increase Reserve	\$139,461	R
Fund Code: N/A	\$46,487	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

65 State Retirement Contributions	\$24,140	R
Fund Code: N/A	\$36,210	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Securities Division

66 Securities Staff	\$632,615	R
Fund Code: 1230		

Increases staffing levels within the Securities Division to assist with the sale of securities products. The new positions will allow the division to address rising demand due to recent Federal regulatory reforms, which have increased the pool of eligible North Carolina businesses and investors who can purchase and sell securities products. The following positions will be created: 4 Financial Investigators, 1 Attorney III, and 1 Financial Investigating Manager. The revised net appropriation for the Securities Division is \$2.3 million. (H.B. 1140/S.B. 885)

6.00

Legislative Changes	\$796,216	R
	\$82,697	NR
Total Position Changes	6.00	
Revised Budget	\$12,629,608	

Special Provisions

2016 Session: **HB 1030**

Department: (14.0) Secretary of State

Section:

Title: **No Special Provisions**

Summary

**Lieutenant Governor
Budget Code 13100**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$677,972
Receipts	\$0
<hr/>	
Net Appropriation	\$677,972
 Legislative Changes	
Requirements	\$25,637
Receipts	\$0
<hr/>	
Net Appropriation	\$25,637
 Revised Budget	
Requirements	\$703,609
Receipts	\$0
<hr/>	
Net Appropriation	\$703,609

General Fund FTE

Enacted Budget	6.00
Legislative Changes	0.00
<hr/>	
Revised Budget	6.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Lieutenant Governor		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 13100		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1110	Administration	677,972	-	677,972	10,000	-	10,000	687,972	-	687,972
Department-wide Items										
N/A	Compensation Increases	-	-	-	11,799	N/A	11,799	11,799	N/A	11,799
N/A	Retirement System Contributions	-	-	-	3,838	N/A	3,838	3,838	N/A	3,838
Total		\$677,972	\$0	\$677,972	\$25,637	\$0	\$25,637	\$703,609	\$0	\$703,609

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Lieutenant Governor					
Budget Code 13100		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1110	Administration	6.00	-	-	6.00
Total FTE		6.00	-	-	6.00

(15.0) Lieutenant Governor

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$677,972

Legislative Changes

Reserve for Salaries and Benefits

67 Compensation Increase Reserve	\$8,849	R
Fund Code: N/A	\$2,950	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.1, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

68 State Retirement Contributions	\$1,535	R
Fund Code: N/A	\$2,303	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Administration

69 Subscription and Travel	\$10,000	R
Fund Code: 1110		

Funds business-related employee travel and office subscriptions. The revised net appropriation for the Lieutenant Governor from all actions in this report is \$703,609.

Legislative Changes	\$20,384	R
	\$5,253	NR
Total Position Changes		
Revised Budget	\$703,609	

Special Provisions

2016 Session: **HB 1030**

Department: (15.0) Lieutenant Governor

Section:

Title: **No Special Provisions**

Summary

Department of Administration
Budget Code 14100
 (As amended by S.L. 2016-123,
 Measurability Assessments/Budget Tech. Corr.)

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$117,513,117
Receipts	\$58,848,632
Net Appropriation	\$58,664,485
 Legislative Changes	
Requirements	\$5,344,028
Receipts	\$0
Net Appropriation	\$5,344,028
 Revised Budget	
Requirements	\$122,857,145
Receipts	\$58,848,632
Net Appropriation	\$64,008,513

General Fund FTE

Enacted Budget	445.96
Legislative Changes	11.20
Revised Budget	457.16

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session
(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)**

Department of Administration Budget Code 14100		Enacted Budget			Legislative Changes			Revised Budget		
Fund Code	Fund Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1111	Office of the Secretary	1,471,523	120,843	1,350,680	-	-	-	1,471,523	120,843	1,350,680
1121	DOA - Fiscal Management	1,760,027	690,025	1,070,002	-	-	-	1,760,027	690,025	1,070,002
1122	DOA - Personnel	767,226	186,804	580,422	-	-	-	767,226	186,804	580,422
1123	Ofc for Historically Underutilized Business	522,910	1,000	521,910	-	-	-	522,910	1,000	521,910
1230	Non Public Education	442,174	-	442,174	-	-	-	442,174	-	442,174
1241	Management Information Services	1,192,539	375,994	816,545	-	-	-	1,192,539	375,994	816,545
1311	Office of State Personnel (OSHR)	7,974,654	113,506	7,861,148	-	-	-	7,974,654	113,506	7,861,148
1411	State Construction Office	5,935,846	684,911	5,250,935	577,922	-	577,922	6,513,768	684,911	5,828,857
1412	State Property Office	2,138,934	1,207,688	931,246	600,000	-	600,000	2,738,934	1,207,688	1,531,246
1421	Facilities Management Division	31,531,658	4,030,404	27,501,254	-	-	-	31,531,658	4,030,404	27,501,254
1511	Purchase and Contract	3,058,659	1,476,743	1,581,916	-	-	-	3,058,659	1,476,743	1,581,916
1731	Council for Women & Domestic Violence	716,417	-	716,417	533,111	-	533,111	1,249,528	-	1,249,528
1734	Sexual Assault Program	2,894,972	-	2,894,972	-	-	-	2,894,972	-	2,894,972
1741	Human Relations Commission	-	-	-	596,858	-	596,858	596,858	-	596,858
1742	MLK Commission	23,378	-	23,378	-	-	-	23,378	-	23,378
1761	Youth Advocacy and Involvement Office	475,941	-	475,941	(475,941)	-	(475,941)	-	-	-
1772	State Veterans Home Program	45,864,689	45,864,689	-	-	-	-	45,864,689	45,864,689	-
1781	Domestic Violence Program	5,086,099	-	5,086,099	-	-	-	5,086,099	-	5,086,099
1782	Domestic Violence Center	3,913,212	3,913,212	-	-	-	-	3,913,212	3,913,212	-
1810	State Ethics Commission	1,230,025	56,679	1,173,346	879,800	-	879,800	2,109,825	56,679	2,053,146
1851	Pension - Surviving Spouse	12,000	-	12,000	-	-	-	12,000	-	12,000
1861	Commission on Indian Affairs	302,850	-	302,850	-	-	-	302,850	-	302,850
1900	Reserves and Transfers	197,384	126,134	71,250	2,000,000	-	2,000,000	2,197,384	126,134	2,071,250
					-					
Department-wide Items										
N/A	Compensation Increase Reserve	-	-	-	477,089	N/A	477,089	477,089	N/A	477,089
N/A	Retirement System Contributions	-	-	-	155,189	N/A	155,189	155,189	N/A	155,189
Total		\$117,513,117	\$58,848,632	\$58,664,485	\$5,344,028	\$0	\$5,344,028	\$122,857,145	\$58,848,632	\$64,008,513

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session
(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)

Department of Administration					
Budget Code 14100		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1111	Office of the Secretary	11.00	-	-	11.00
1121	DOA - Fiscal Management	24.00	-	-	24.00
1122	DOA - Personnel	10.00	-	-	10.00
1123	Ofc for Historically Underutilized Business	8.00	-	-	8.00
1230	Non Public Education	5.75	-	-	5.75
1241	Management Information Services	10.00	-	-	10.00
1311	Office of State Personnel (OSHR)	65.00	-	-	65.00
1411	State Construction Office	55.00	6.00	-	61.00
1412	State Property Office	27.00	-	-	27.00
1421	Facilities Management Division	154.25	-	-	154.25
1511	Purchase and Contract	33.10	-	-	33.10
1731	Council for Women & Domestic Violence	9.00	2.00	-	11.00
1734	Sexual Assault Program	0.36	-	-	0.36
1741	Human Relations Commission	0.04	7.20	-	7.24
1742	MLK Commission	-	-	-	-
1761	Youth Advocacy and Involvement Office	4.00	(4.00)	-	-
1772	State Veterans Home Program	8.77	-	-	8.77
1781	Domestic Violence Program	4.64	-	-	4.64
1782	Domestic Violence Center	-	-	-	-
1810	State Ethics Commission	13.00	-	-	13.00
1851	Pension - Surviving Spouse	-	-	-	-
1861	Commission on Indian Affairs	3.05	-	-	3.05
1900	Reserves and Transfers	-	-	-	-
Total FTE		445.96	11.20	-	457.16

(16.0) Administration

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$58,664,485

Legislative Changes

Reserve for Salaries and Benefits

70 Compensation Increase Reserve	\$357,817	R
Fund Code: N/A	\$119,272	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

71 State Retirement Contributions	\$62,076	R
Fund Code: N/A	\$93,113	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Advocacy Programs

72 Grants-in-Aid		
Fund Code: 1731	\$200,000	NR

Provides a total of \$200,000 nonrecurring to the Council for Women to be distributed as grants-in-aid for the following centers, which provide domestic violence prevention support:

- Next Step Ministries, Inc. in Kernersville, NC \$50,000
- Ruth's House in Washington, NC \$50,000
- The Shelter of Gaston County \$100,000

The revised net appropriation for domestic violence center grants-in-aid is \$200,000.

<p>73 Human Relations Commission Restored Funding</p> <p>Fund Code: 1741</p> <p>Restores \$545,407 recurring and 6.20 positions for the Human Relations Commission, which was funded with a nonrecurring appropriation in FY 2015-16 while it underwent a continuation review. The revised net appropriation for the Human Relations Commission from all actions in this report is \$0.6 million. (H.B. 1140/S.B. 885)</p>	<p>\$545,407</p> <p>6.20</p>	<p>R</p>
<p>74 Human Relations Commission New Position</p> <p>Fund Code: 1741</p> <p>Provides \$51,451 for the salary and benefits for 1 new Administrative Assistant position. The revised net appropriation for the Human Relations Commission from all actions in this report is \$0.6 million. (H.B. 1140/S.B. 885)</p>	<p>\$51,451</p> <p>1.00</p>	<p>R</p>
<p>75 Youth Advocacy and Involvement Office Position Elimination</p> <p>Fund Code: 1761</p> <p>Eliminates the following position, including the salary and benefits, within the Youth Advocacy and Involvement Office:</p> <p>60014064 Advocacy Program Director</p> <p>The revised net appropriation for the Youth Advocacy and Involvement Office from this action is \$0.4 million. (S.L. 2016-94, Sec. 32.5)</p>	<p>(\$81,551)</p> <p>-1.00</p>	<p>R</p>
<p>76 Youth Advocacy and Involvement Office Transfer</p> <p>Fund Code: 1761</p> <p>Transfers funding and 2 positions from the Youth Advocacy and Involvement Office to the Council for Women. The Council for Women will be renamed the Council for Women and Youth Involvement. The following positions will be transferred:</p> <p>60014061 Administrative Officer II 60014502 Administrative Officer II</p> <p>The revised net appropriation for the Youth Advocacy and Involvement Office from this action is \$61,279. (S.L. 2016-94, Sec. 32.5)</p>	<p>(\$333,111)</p> <p>-2.00</p>	<p>R</p>
<p>77 Council for Women and Youth Involvement</p> <p>Fund Code: 1731</p> <p>Expands the Council for Women by receiving a transfer of funding and 2 positions from the Youth Advocacy and Involvement Office. The Council for Women is renamed the Council for Women and Youth Involvement. The following positions will be added:</p> <p>60014061 Administrative Officer II 60014502 Administrative Officer II</p> <p>The revised net appropriation for this fund from this action is \$1.1 million. (S.L. 2016-94, Sec. 32.5)</p>	<p>\$333,111</p> <p>2.00</p>	<p>R</p>

78 Youth Legislative Assembly Position Transfer (\$61,279) R
Fund Code: 1761

Transfers the following position, including the salary and benefits, from the Youth Advocacy and Involvement Office to the General Assembly:

-1.00

Administrative Officer II 60014065 (S.L. 2016-94, Sec. 32.5)

(S.L. 2016-123, Sec. 8.3, Measurability Assessments/Budget Tech. Corr., adds this item to clarify that the transfer of the Administrative Assistant position shall occur on July 1, 2016. The remaining budget for the program will be transferred as part of a Type II transfer.)

(This item also appears within the General Assembly of the General Government section of the Conference Committee Report. See page J-42, item 30.)

Reserves & Transfers

79 State Land Fund
Fund Code: 1990 \$2,000,000 NR

Provides \$2,000,000 to the department to fill a budget gap in the State Land Fund. The department shall transfer the funds into budget code 40401-4414 State Land Fund. The revised net appropriation for the State Land Fund is \$2.0 million. (H.B. 1140/S.B. 885)

(This item also appears in the General Government special fund section on page J-105.)

State Construction Office

80 Connect NC Bond Administration \$545,747 R
Fund Code: 1411 \$32,175 NR
 6.00

Provides funds to the State Construction Office within the Department of Administration due to the increased workload from the Connect NC Bond. The increased funding will pay for new software licenses and 6 positions. The revised net appropriation for the State Construction Office is \$5.8 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 32.7)

State Ethics Commission

81 International Ethics Conference Hosting \$2,200 R
Fund Code: 1810 \$7,600 NR

Provides recurring funding for increased participation in the annual Council on Governmental Ethics Laws (COGEL) conference. Nonrecurring funding is provided to begin the preparation needed to host the COGEL conference in North Carolina in 2018. The revised net appropriation for the State Ethics Commission from all actions in this report is \$2.0 million. (H.B. 1140/S.B. 885)

82 Existing Electronic Application Maintenance

Fund Code: 1810 \$20,000 NR

Provides funding for continued maintenance and required updates to the State's electronic ethics application. The system accepts, tracks, and reports Statement of Economic Interest (SEI) filings, as well as maintains required ethics trainings for certain State employees and elected officials. The revised net appropriation for the State Ethics Commission from all actions in this report is \$2.0 million. (H.B. 1140/S.B. 885)

83 New Electronic Application Development

Fund Code: 1810 \$850,000 NR

Funds the development and implementation of a new electronic application system to allow individuals to file and amend SEI electronically and to provide relevant updates to the ethics training modules. The revised net appropriation for the State Ethics Commission from all actions in this report is \$2.0 million. (H.B. 1140/S.B. 885)

State Property Office

84 Underutilized State Property Study

Fund Code: 1412 \$600,000 NR

Provides \$600,000 to the State Property Office within the Department of Administration to determine which existing underutilized State property is best suited for sale or lease. The Department may use the funds to conduct qualitative analysis on the cost and best use of such properties, including appraisals, surveys, environmental studies, and Phase I and II studies, and to hire third-party consultants to conduct comprehensive space and design planning. The revised net appropriation for the State Property Office is \$1.5 million. (H.B. 1090/S.B. 826)

Legislative Changes	\$1,421,868	R
	\$3,922,160	NR
Total Position Changes		11.20
Revised Budget	\$64,008,513	

4414 State Land Fund

Budget Code: 40401

	FY 2016-17
Beginning Unreserved Fund Balance	(\$2,000,000)
Recommended Budget	
Requirements	\$0
Receipts	\$0
Positions	0.00

Legislative Changes

Requirements:

State Land Fund	\$0	R
	\$0	NR
	0.00	
Subtotal Legislative Changes	\$0	R
	\$0	NR
	0.00	

Receipts:

State Land Fund	\$0	R
Transfers \$2,000,000 into the State Land Fund. (H.B. 1140/S.B. 885)	\$2,000,000	NR

(This item also appears in the General Government section of the Conference Committee Report. See page J-103, item 79.)

Subtotal Legislative Changes	\$0	R
	\$2,000,000	NR

FY 2016-17

Revised Total Requirements	\$0
Revised Total Receipts	\$2,000,000
Change in Fund Balance	\$2,000,000
Total Positions	0.00

Unappropriated Balance Remaining	\$0
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Special Provisions

2016 Session: HB 1030

Department: (16.0) Administration

Section: 32.1

Title: **STUDY E-PROCUREMENT SERVICE**

Summary Directs the Joint Legislative Oversight Committee on General Government to study the management of the E-Procurement service. The committee shall report its findings to the 2017 General Assembly.

Section: 32.4

Title: **AUTOCLAVE MAINTENANCE**

Summary Requires the Department of Administration (DOA), Office of State Budget and Management, and the Department of Health and Human Services (DHHS) to identify funds to pay for the maintenance of the autoclave at the State Public Health Laboratory. DOA is prohibited from extending or entering into another autoclave contract. DHHS is authorized to contract for the future maintenance of the autoclave.

Section: 32.5

Title: **TRANSFER FUNCTIONS OF YOUTH ADVOCACY AND INVOLVEMENT OFFICE TO COUNCIL FOR WOMEN/TRANSFER YOUTH LEGISLATIVE ASSEMBLY**

Summary Makes the following changes affecting the Youth Advocacy and Involvement Office and the Council for Women:

Subsection (a) consolidates the Youth Advocacy and Involvement Office and the North Carolina Council for Women to create the North Carolina Council for Women and Youth Involvement.

Subsection (b) amends G.S. 143B-393 to consolidate the 2 offices and effectuate the name change. The following functions are moved to the Council for Women from the Youth Advocacy and Involvement Office: North Carolina Internship Council, North Carolina State Government Internship Program, Students Against Destructive Decisions (SADD), and State Youth Councils.

Subsections (c) through (h) make conforming statutory changes related to the consolidation.

Subsection (i) directs the Office of State Budget and Management to make necessary revisions to the budget for the new organizational structure, including moving positions or funds between fund codes.

Subsection (j) transfers the North Carolina Youth Legislative Assembly program budget and 1 Administrative Assistant position to the General Assembly.

Subsection (k) recodifies G.S. 143B-387.1 to G.S. 120-32.04 to rename the North Carolina Youth Advocacy and Involvement Fund to the North Carolina Youth Legislative Assembly Fund.

Section: 32.6

Title: **DOMESTIC VIOLENCE CENTER FUND/DEVELOP NEW GRANT FORMULA**

Summary Directs a study of the Domestic Violence Center Fund grant formula.

Subsection (a) directs the Department of Administration and the Council for Women to study and develop a new funding formula for awarding grants to domestic violence assistance centers. The study shall consider the types and cost of services provided, the number of clients served annually and the service area of each center, the availability of external funding sources, and other relevant information.

Subsection (b) requires a report to the Joint Legislative Oversight Committee on General Government no later than November 1, 2016. This subsection prohibits changes to the current allocation formula unless directed by the General Assembly.

Subsection (c) places a moratorium on awarding funds to new grantees for FY 2016-17.

Section: 32.7

Title: **CONNECT NC BOND ADMINISTRATION**

Summary Restricts the use of funds appropriated to the State Construction Office for oversight of Connect NC Bond projects, including newly created positions. This section requires positions created by this appropriation to be eliminated when the administration of the bond is complete.

2016 Session: HB 805

Department: (16.0) Administration

Section: 8.3

Title: **TECHNICAL CHANGE: CLARIFY YOUTH LEGISLATIVE ASSEMBLY TRANSFER**

Summary Amends S.L. 2016-94, Sec. 32.5, 2016 Appropriations Act, to effectuate the transfer of 1 Administrative Assistant position from the Department of Administration Youth Advocacy and Involvement Office to the General Assembly on July 1, 2016. The remaining budget for the program will be transferred as part of a Type II transfer.

**Department of Revenue
Budget Code 14700**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$133,915,718
Receipts	\$53,458,039
Net Appropriation	\$80,457,679
Legislative Changes	
Requirements	\$1,891,151
Receipts	\$0
Net Appropriation	\$1,891,151
Revised Budget	
Requirements	\$135,806,869
Receipts	\$53,458,039
Net Appropriation	\$82,348,830

General Fund FTE

Enacted Budget	1,471.25
Legislative Changes	0.00
Revised Budget	1,471.25

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Department of Revenue		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14700		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
1600	Administration	3,618,680		3,618,680	-	-	-	3,618,680	-	3,618,680
1601	Enterprise Project Management Office	780,186		780,186	-	-	-	780,186	-	780,186
1603	Human Resources	1,522,319		1,522,319	-	-	-	1,522,319	-	1,522,319
1605	Information Technology	15,983,036	406,374	15,576,662	-	-	-	15,983,036	406,374	15,576,662
1607	Revenue Research	429,658		429,658	-	-	-	429,658	-	429,658
1609	Criminal Investigations	911,367		911,367	-	-	-	911,367	-	911,367
1624	Income Tax Division	2,079,237		2,079,237	-	-	-	2,079,237	-	2,079,237
1625	Excise Tax Division	200,724		200,724	-	-	-	200,724	-	200,724
1627	Sales and Use Taxes	1,315,833		1,315,833	-	-	-	1,315,833	-	1,315,833
1629	Local Government Division	5,167,717	5,167,717	-	-	-	-	5,167,717	5,167,717	-
1643	Taxpayer Assistance	8,672,798	294,830	8,377,968	-	-	-	8,672,798	294,830	8,377,968
1660	Collection	259,611		259,611	-	-	-	259,611	-	259,611
1661	Project Collect Tax	26,347,464	26,347,464	-	-	-	-	26,347,464	26,347,464	-
1662	Taxpayer Call Center	10,154,241	10,154,241	-	-	-	-	10,154,241	10,154,241	-
1663	Examination	24,414,627		24,414,627	-	-	-	24,414,627	-	24,414,627
1670	Unauthorized Substance Tax	1,520,211		1,520,211	-	-	-	1,520,211	-	1,520,211
1681	Business Operations	8,113,860	47,740	8,066,120	348,000	-	348,000	8,461,860	47,740	8,414,120
1683	Financial Services	836,692		836,692	-	-	-	836,692	-	836,692
1685	Documents Payments Processing	11,568,447	1,206,014	10,362,433	-	-	-	11,568,447	1,206,014	10,362,433
1700	Motor Fuels	4,994,370	4,994,370	-	-	-	-	4,994,370	4,994,370	-
1708	International Registration	229,020	229,020	-	-	-	-	229,020	229,020	-
1710	Fuel Tax Compliance	1,604,094	1,604,094	-	-	-	-	1,604,094	1,604,094	-
1711	Federal Grant - Joint Operations Center	590,791	590,791	-	-	-	-	590,791	590,791	-
1800	White Goods - Disposal Tax	425,000	425,000	-	-	-	-	425,000	425,000	-
1820	Scrap Tire Disposal Tax	425,000	425,000	-	-	-	-	425,000	425,000	-
1830	Public Transit Tax	715,384	715,384	-	-	-	-	715,384	715,384	-
1840	Dry Cleaning Solvent Tax	125,000	125,000	-	-	-	-	125,000	125,000	-
1870	Solid Waste Disposal Tax	225,000	225,000	-	-	-	-	225,000	225,000	-
1880	911 - Service Charge	500,000	500,000	-	-	-	-	500,000	500,000	-
1900	Reserves and Transfers	185,351		185,351	-	-	-	185,351	-	185,351
Department-wide Items										
N/A	Retirement System Contributions	-	-	-	378,430	N/A	378,430	378,430	N/A	378,430
N/A	Compensation Increase Reserve	-	-	-	1,164,721	N/A	1,164,721	1,164,721	N/A	1,164,721
Total		\$133,915,718	\$53,458,039	\$80,457,679	\$1,891,151	\$0	\$1,891,151	\$135,806,869	\$53,458,039	\$82,348,830

**Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session**

Department of Revenue					
Budget Code 14700		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1600	Administration	29.00	-	-	29.00
1601	Enterprise Project Management Office	8.00	-	-	8.00
1603	Human Resources	20.00	-	-	20.00
1605	Information Technology	99.25	-	-	99.25
1607	Revenue Research	7.00	-	-	7.00
1609	Criminal Investigations	10.00	-	-	10.00
1624	Income Tax Division	22.00	-	-	22.00
1625	Excise Tax Division	2.00	-	-	2.00
1627	Sales and Use Taxes	14.00	-	-	14.00
1629	Local Government Division	33.00	-	-	33.00
1643	Taxpayer Assistance	144.00	-	-	144.00
1660	Collection	2.00	-	-	2.00
1661	Project Collect Tax	266.00	-	-	266.00
1662	Taxpayer Call Center	137.00	-	-	137.00
1663	Examination	328.00	-	-	328.00
1670	Unauthorized Substance Tax	20.00	-	-	20.00
1681	Business Operations	18.00	-	-	18.00
1683	Financial Services	11.00	-	-	11.00
1685	Documents Payments Processing	202.00	-	-	202.00
1700	Motor Fuels	50.00	-	-	50.00
1708	International Registration	3.00	-	-	3.00
1710	Fuel Tax Compliance	17.00	-	-	17.00
1711	Federal Grant - Joint Operations Center	2.00	-	-	2.00
1800	White Goods - Disposal Tax	6.00	-	-	6.00
1820	Scrap Tire Disposal Tax	6.00	-	-	6.00
1830	Public Transit Tax	8.00	-	-	8.00
1840	Dry Cleaning Solvent Tax	-	-	-	-
1870	Solid Waste Disposal Tax	1.00	-	-	1.00
1880	911 - Service Charge	6.00	-	-	6.00
1900	Reserves and Transfers	-	-	-	-
Total FTE		1,471.25	-	-	1,471.25

(17.0) Revenue

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$80,457,679

Legislative Changes

Reserve for Salaries and Benefits

85 Compensation Increase Reserve	\$873,541	R
Fund Code: N/A	\$291,180	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16 and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

86 State Retirement Contributions	\$151,372	R
Fund Code: N/A	\$227,058	NR

Increases the State’s contribution for members of the Teachers’ and State Employees’ Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Business Operations

87 Business Functions Optimization		
Fund Code: 1681	\$348,000	NR

Provides funds to the Department of Revenue to hire a contractor to identify opportunities to lower operational costs through automation or outsourcing of paper-driven processes. The revised net appropriation for the Business Operations fund is \$8.4 million. (H.B. 1140/S.B. 885)

Legislative Changes	\$1,024,913	R
	\$866,238	NR
Total Position Changes		
Revised Budget	\$82,348,830	

Project Collect Tax

Budget Code: 24704

	FY 2016-17
Beginning Unreserved Fund Balance	\$63,433,264
Recommended Budget	
Requirements	\$37,732,539
Receipts	\$23,013,024
Positions	0.00

Legislative Changes

Requirements:

Tax Fraud Analysis	\$0		R
Provides funds to the Department of Revenue to continue a contract with a vendor to perform tax fraud analysis using the Government Data Analytics Center (GDAC) and to pay for identity theft protection information technology upgrades. (H.B. 1140/S.B. 885)	\$2,000,000		NR
	0.00		
 Implementation of New Tax Types	 \$0		 R
Provides funds from the Collection Assistance Fee to pay for programming the insurance and liquid nicotine tax types to enable automated collection. (H.B. 1140/S.B. 885)	\$582,800		NR
	0.00		
 Subtotal Legislative Changes	 \$0		 R
	\$2,582,800		NR
	0.00		

Receipts:

Tax Fraud Analysis	\$0		R
	\$0		NR
 Implementation of New Tax Types	 \$0		 R
	\$0		NR

2016 Annotated Conference Committee Report

FY 2016-17

Subtotal Legislative Changes

\$0 R

\$0 NR

Revised Total Requirements

\$40,315,339

Revised Total Receipts

\$23,013,024

Change in Fund Balance

(\$17,302,315)

Total Positions

0.00

Unappropriated Balance Remaining

\$46,130,949

ITAS Replacement

Budget Code: 24708

	FY 2016-17
Beginning Unreserved Fund Balance	\$22,341,776
Recommended Budget	
Requirements	\$2,047,600
Receipts	\$2,047,600
Positions	7.00

Legislative Changes

Requirements:

Operations and Maintenance for Tax Systems
 Authorizes the Department of Revenue to spend \$12,000,000 nonrecurring receipt funding for tax systems. The supported systems are Enterprise Tax Management, Portfolio Warehouse, and Modernize eFile. (H.B. 1140/S.B. 885)

	\$0	R
	\$12,000,000	NR
	0.00	

Subtotal Legislative Changes

	\$0	R
	\$12,000,000	NR
	0.00	

Receipts:

Operations and Maintenance for Tax Systems

	\$0	R
	\$0	NR

Subtotal Legislative Changes

	\$0	R
	\$0	NR

2016 Annotated Conference Committee Report

FY 2016-17

Revised Total Requirements	\$14,047,600
Revised Total Receipts	\$2,047,600
Change in Fund Balance	(\$12,000,000)
Total Positions	7.00

Unappropriated Balance Remaining	\$10,341,776
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Special Provisions

2016 Session: **HB 1030**

Department: (17.0) Revenue

Section:

Title: **No Special Provisions**

Summary

**Office of the State Controller
Budget Code 14160**

General Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$23,158,226
Receipts	\$431,840
Net Appropriation	\$22,726,386
Legislative Changes	
Requirements	\$857,584
Receipts	\$496,578
Net Appropriation	\$361,006
Revised Budget	
Requirements	\$24,015,810
Receipts	\$928,418
Net Appropriation	\$23,087,392

General Fund FTE

Enacted Budget	169.00
Legislative Changes	0.00
Revised Budget	169.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Office of the State Controller		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14160		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1000	Office of State Controller	23,158,226	431,840	22,726,386	496,578	496,578	-	23,654,804	928,418	22,726,386
Department-wide Items										
N/A	Retirement System Contributions	-	-	-	88,607	N/A	88,607	88,607	N/A	88,607
N/A	Compensation Increase Reserve	-	-	-	272,399	N/A	272,399	272,399	N/A	272,399
Total		\$23,158,226	\$431,840	\$22,726,386	\$857,584	\$496,578	\$361,006	\$24,015,810	\$928,418	\$23,087,392

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Office of the State Controller					
Budget Code 14160		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1000	Office of State Controller	169.00	-	-	169.00
Total FTE		169.00	-	-	169.00

(18.0) State Controller

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$22,726,386

Legislative Changes

Reserve for Salaries and Benefits

88 Compensation Increase Reserve	\$204,299	R
Fund Code: N/A	\$68,100	NR

Provides funds for a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.2, 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

89 State Retirement Contributions	\$35,443	R
Fund Code: N/A	\$53,164	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

State Controller

90 Continuation Review Funding Restoration

Fund Code: 1000

Restores the transfer of funds from the Department of Transportation to the State Controller for Building Enterprise Access for North Carolina's Core Operation Needs (BEACON) positions under continuation review. The total amount transferred is \$496,578. The revised net appropriation for personnel costs for the State Controller is \$15.5 million. (H.B. 1140/S.B. 885)

(This item also appears in the Transportation section of the Conference Committee Report. See page K-13, item 25.)

Legislative Changes	\$239,742	R
	\$121,264	NR
Total Position Changes		
Revised Budget	\$23,087,392	

Special Provisions

2016 Session: HB 1030

Department: (18.0) State Controller

Section:

Title: **No Special Provisions**

Summary

Transportation Section K

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**Department of Transportation
Budget Code 84210**

Highway Fund Budget ¹

FY 2016-17

Enacted Budget

Requirements	\$7,199,755,488
Receipts	\$5,210,154,339
<hr/>	
Net Appropriation	\$1,989,601,149

Legislative Changes

Requirements	\$61,213,462
Receipts	\$2,124,611
<hr/>	
Net Appropriation	\$59,088,851

Revised Budget

Requirements	\$7,260,968,950
Receipts	\$5,212,278,950
<hr/>	
Net Appropriation	\$2,048,690,000

Highway Fund FTE

Enacted Budget	12,350.00
Legislative Changes	45.00
<hr/>	
Revised Budget	12,395.00

¹ Enacted Budget and Revised Budget amounts are overstated due to duplicate receipt-supported fund codes for field operations, grant programs, and equipment established pursuant to S.L. 2011-145, Sec. 28.2. The revised budget without these duplicate fund codes is \$3,202,068,046 for requirements, \$1,153,378,046 for receipts, and \$2,048,690,000 for net appropriation and is a more accurate measure of the Highway Fund budget.

Department of Transportation		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 84210		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
0001	Board of Transportation	61,834	-	61,834	-	-	-	61,834	-	61,834
0002	Communications	1,805,282	-	1,805,282	-	-	-	1,805,282	-	1,805,282
0006	Legal - Attorney General Staff	1,487,928	-	1,487,928	-	-	-	1,487,928	-	1,487,928
0007	Administration - Secretary	3,275,617	261,774	3,013,843	-	-	-	3,275,617	261,774	3,013,843
0177	Computer Systems	389,663	389,663	-	-	-	-	389,663	389,663	-
1096	Strategic Planning Office of Transportation	177,973	-	177,973	-	-	-	177,973	-	177,973
1104	Governance Office - Admin	632,053	-	632,053	-	-	-	632,053	-	632,053
7011	Inspector General	2,424,025	675,096	1,748,929	-	-	-	2,424,025	675,096	1,748,929
7015	Human Resources	4,476,225	-	4,476,225	-	-	-	4,476,225	-	4,476,225
7020	Financial	9,472,574	4,054,093	5,418,481	78,616	78,616	-	9,551,190	4,132,709	5,418,481
7025	Information Technology	58,134,239	6,492,880	51,641,359	-	-	-	58,134,239	6,492,880	51,641,359
7030	Facilities Management and Support Services	23,251,622	3,607,721	19,643,901	-	-	-	23,251,622	3,607,721	19,643,901
	DOT ADMINISTRATION	105,589,035	15,481,227	90,107,808	78,616	78,616	-	105,667,651	15,559,843	90,107,808
0055	Chief Engineer	661,136	-	661,136	-	-	-	661,136	-	661,136
0056	Deputy Chief Engineer of Operations	854,057	-	854,057	-	-	-	854,057	-	854,057
0064	Director of Preconstruction	33,103	33,103	-	-	-	-	33,103	33,103	-
0149	Transportation Mobility and Safety	5,353,414	5,353,414	-	-	-	-	5,353,414	5,353,414	-
0178	Project Development and Environmental Analysis	883,378	883,378	-	-	-	-	883,378	883,378	-
1018	Director of Construction	245,178	245,178	-	-	-	-	245,178	245,178	-
1065	Utilities Unit - Administration	298,461	298,461	-	-	-	-	298,461	298,461	-
1067	Materials and Tests Unit	1,054,087	1,054,087	-	-	-	-	1,054,087	1,054,087	-
1069	Roadside Environmental Unit	2,306,740	-	2,306,740	-	-	-	2,306,740	-	2,306,740
1070	Construction Unit	632,908	632,908	-	-	-	-	632,908	632,908	-
1078	Office of Equal Opportunity and Workforce Services	334,084	334,084	-	-	-	-	334,084	334,084	-
1129	Office of Equal Opportunity and Workforce Services	365,487	365,487	-	-	-	-	365,487	365,487	-
1130	Office of Equal Opportunity and Workforce Services	676,974	-	676,974	-	-	-	676,974	-	676,974
1186	Structure Management	459,276	459,276	-	-	-	-	459,276	459,276	-
7070	Transportation Planning Program	174,731	174,731	-	-	-	-	174,731	174,731	-
1201	Division 1 - Right of Way Administration	46,294	46,294	-	-	-	-	46,294	46,294	-
1202	Division 2 - Right of Way Administration	47,814	47,814	-	-	-	-	47,814	47,814	-
1203	Division 3 - Right of Way Administration	57,497	57,497	-	-	-	-	57,497	57,497	-
1204	Division 4 - Right of Way Administration	49,054	49,054	-	-	-	-	49,054	49,054	-
1205	Division 5 - Right of Way Administration	61,596	61,596	-	-	-	-	61,596	61,596	-
1206	Division 6 - Right of Way Administration	51,112	51,112	-	-	-	-	51,112	51,112	-
1207	Division 7 - Right of Way Administration	43,820	43,820	-	-	-	-	43,820	43,820	-
1208	Division 8 - Right of Way Administration	45,419	45,419	-	-	-	-	45,419	45,419	-
1209	Division 9 - Right of Way Administration	102,390	102,390	-	-	-	-	102,390	102,390	-
1210	Division 10 - Right of Way Administration	44,304	44,304	-	-	-	-	44,304	44,304	-
1211	Division 11 - Right of Way Administration	48,872	48,872	-	-	-	-	48,872	48,872	-
1212	Division 12 - Right of Way Administration	39,749	39,749	-	-	-	-	39,749	39,749	-
1213	Division 13 - Right of Way Administration	43,966	43,966	-	-	-	-	43,966	43,966	-
1214	Division 14 - Right of Way Administration	48,967	48,967	-	-	-	-	48,967	48,967	-
1256	Program Development - Administration	1,533,247	1,533,247	-	-	-	-	1,533,247	1,533,247	-
7080	Division 1	1,591,841	-	1,591,841	-	-	-	1,591,841	-	1,591,841
7085	Division 2	1,774,325	-	1,774,325	-	-	-	1,774,325	-	1,774,325
7090	Division 3	1,709,132	-	1,709,132	-	-	-	1,709,132	-	1,709,132
7095	Division 4	1,616,684	-	1,616,684	-	-	-	1,616,684	-	1,616,684
7100	Division 5	1,822,335	-	1,822,335	-	-	-	1,822,335	-	1,822,335
7105	Division 6	1,737,242	-	1,737,242	-	-	-	1,737,242	-	1,737,242
7110	Division 7	1,820,648	-	1,820,648	-	-	-	1,820,648	-	1,820,648
7115	Division 8	1,533,066	-	1,533,066	-	-	-	1,533,066	-	1,533,066
7120	Division 9	1,608,235	-	1,608,235	-	-	-	1,608,235	-	1,608,235
7125	Division 10	2,063,088	-	2,063,088	-	-	-	2,063,088	-	2,063,088

Department of Transportation		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 84210		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7130	Division 11	1,465,762	-	1,465,762	-	-	-	1,465,762	-	1,465,762
7135	Division 12	1,516,666	-	1,516,666	-	-	-	1,516,666	-	1,516,666
7140	Division 13	1,413,375	-	1,413,375	-	-	-	1,413,375	-	1,413,375
7145	Division 14	1,752,340	-	1,752,340	-	-	-	1,752,340	-	1,752,340
7150	Preconstruction Design Administration	1,555,873	1,555,873	-	-	-	-	1,555,873	1,555,873	-
7153	Technical Services - Administration	5,081,352	4,688,009	393,343	-	-	-	5,081,352	4,688,009	393,343
7175	Field Operations Support	1,001,747	-	1,001,747	-	-	-	1,001,747	-	1,001,747
7176	State Asset Management	1,594,752	40,000	1,554,752	-	-	-	1,594,752	40,000	1,554,752
7185	Safety	3,159,051	580,517	2,578,534	-	-	-	3,159,051	580,517	2,578,534
7190	Right of Way - Administration	2,447,890	2,447,890	-	-	-	-	2,447,890	2,447,890	-
	DOH ADMINISTRATION	54,862,519	21,410,497	33,452,022	-	-	-	54,862,519	21,410,497	33,452,022
7812	Construction - Secondary	12,000,000	-	12,000,000	-	-	-	12,000,000	-	12,000,000
7814	Construction - Public Service Roads	1,723,707	-	1,723,707	-	-	-	1,723,707	-	1,723,707
7817	Spot Safety	12,100,000	-	12,100,000	-	-	-	12,100,000	-	12,100,000
7818	Construction - Contingency	12,000,000	-	12,000,000	-	-	-	12,000,000	-	12,000,000
7837	Division of Small Urban Construction	-	-	-	2,500,000	-	2,500,000	2,500,000	-	2,500,000
7838	Economic Development	4,731,171	-	4,731,171	-	-	-	4,731,171	-	4,731,171
	CONSTRUCTION	42,554,878	-	42,554,878	2,500,000	-	2,500,000	45,054,878	-	45,054,878
0934	Reserve - General Maintenance	45,560,850	-	45,560,850	422,023,149	-	422,023,149	467,583,999	-	467,583,999
7821	Maintenance - Primary	135,479,149	-	135,479,149	(135,479,149)	-	(135,479,149)	-	-	-
7822	Maintenance - Secondary	285,289,910	-	285,289,910	(285,289,910)	-	(285,289,910)	-	-	-
7824	Contract Resurfacing	497,946,495	-	497,946,495	-	-	-	497,946,495	-	497,946,495
7841	Pavement Preservation	85,045,024	-	85,045,024	-	-	-	85,045,024	-	85,045,024
7839	Bridge Program	242,074,444	-	242,074,444	300,000	-	300,000	242,374,444	-	242,374,444
	MAINTENANCE	1,291,395,872	-	1,291,395,872	1,554,090	-	1,554,090	1,292,949,962	-	1,292,949,962
7827	FHWA Construction	876,621,600	876,621,600	-	-	-	-	876,621,600	876,621,600	-
	PLANNING & RESEARCH	876,621,600	876,621,600	-	-	-	-	876,621,600	876,621,600	-
7832	OSHA Program	358,030	-	358,030	-	-	-	358,030	-	358,030
	OSHA	358,030	-	358,030	-	-	-	358,030	-	358,030
7836	State Aid - Highway Fund for WBS	147,500,000	-	147,500,000	-	-	-	147,500,000	-	147,500,000
	STATE AID TO MUNICIPALITIES	147,500,000	-	147,500,000	-	-	-	147,500,000	-	147,500,000
0041	Aeronautics	2,264,669	203,717	2,060,952	-	-	-	2,264,669	203,717	2,060,952
7830	Airports Program	51,700,000	20,000,000	31,700,000	14,817,417	-	14,817,417	66,517,417	20,000,000	46,517,417
0036	Public Transportation	330,350	-	330,350	-	-	-	330,350	-	330,350
7831	Public Transportation - Highway Fund	122,576,052	34,732,983	87,843,069	4,000,000	-	4,000,000	126,576,052	34,732,983	91,843,069
0037	Rail Division	603,869	-	603,869	-	-	-	603,869	-	603,869
7829	Railroad Program	73,273,725	50,225,920	23,047,805	13,750,000	-	13,750,000	87,023,725	50,225,920	36,797,805
0035	Bicycle Program	726,895	-	726,895	-	-	-	726,895	-	726,895
7040	Ferry Administration	1,281,490	-	1,281,490	-	-	-	1,281,490	-	1,281,490
7825	Ferry Operations	44,318,905	5,000,000	39,318,905	10,000,000	-	10,000,000	54,318,905	5,000,000	49,318,905
	MULTI-MODAL	297,075,955	110,162,620	186,913,335	42,567,417	-	42,567,417	339,643,372	110,162,620	229,480,752
0042	Governor's Highway Safety Program	502,482	251,241	251,241	-	-	-	502,482	251,241	251,241
7828	Governor's Highway Safety Program	13,500,000	13,500,000	-	-	-	-	13,500,000	13,500,000	-
	GOVERNOR'S HIGHWAY SAFETY PROGRAM	14,002,482	13,751,241	251,241	-	-	-	14,002,482	13,751,241	251,241
0049	Driver Licensing	50,577,557	180,400	50,397,157	3,160,541	-	3,160,541	53,738,098	180,400	53,557,698
0054	Motor Vehicle Exhaust Emissions	12,077,863	-	12,077,863	-	-	-	12,077,863	-	12,077,863
7050	DMV - Commissioner's Office	9,085,196	11,000	9,074,196	1,812,636	-	1,812,636	10,897,832	11,000	10,886,832

Department of Transportation		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 84210		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
7055	Vehicle Registration	52,789,744	17,184,124	35,605,620	2,045,995	2,045,995	-	54,835,739	19,230,119	35,605,620
7060	License and Theft Bureau	13,925,107	745,726	13,179,381	-	-	-	13,925,107	745,726	13,179,381
	DIVISION OF MOTOR VEHICLES	138,455,467	18,121,250	120,334,217	7,019,172	2,045,995	4,973,177	145,474,639	20,167,245	125,307,394
0862	Department of Agriculture - Gasoline Inspection Fee	5,223,690	-	5,223,690	-	-	-	5,223,690	-	5,223,690
1260	State Ethics Commission	56,679	-	56,679	-	-	-	56,679	-	56,679
0864	DOR - Gasoline Tax Collections	4,995,683	-	4,995,683	-	-	-	4,995,683	-	4,995,683
0852	DOR - International Registration Plan	229,020	-	229,020	-	-	-	229,020	-	229,020
0865	DHHS - Chemical Testing	567,804	-	567,804	-	-	-	567,804	-	567,804
0889	OSBM - Civil Penalty	27,700,000	27,700,000	-	-	-	-	27,700,000	27,700,000	-
0893	OSC - Best Shared Services	-	-	-	496,578	-	496,578	496,578	-	496,578
7834	Motor Carrier Safety	2,117,353	-	2,117,353	-	-	-	2,117,353	-	2,117,353
	OTHER STATE AGENCIES	40,890,229	27,700,000	13,190,229	496,578	-	496,578	41,386,807	27,700,000	13,686,807
0869	Reserve - Global TransPark	750,000	-	750,000	-	-	-	750,000	-	750,000
1288	North Carolina State Ports Authority	35,000,000	-	35,000,000	-	-	-	35,000,000	-	35,000,000
	TRANSFER TO AUTHORITIES	35,750,000	-	35,750,000	-	-	-	35,750,000	-	35,750,000
0933	Reserve - Minority Contractor Development	150,000	-	150,000	-	-	-	150,000	-	150,000
0878	State Fire Protection Grant Fund	-	-	-	158,000	-	158,000	158,000	-	158,000
0877	Stormwater Management	500,000	-	500,000	-	-	-	500,000	-	500,000
0882	Reserve - Visitor Center	400,000	400,000	-	-	-	-	400,000	400,000	-
0881	Consolidated Call Center	556,074	-	556,074	-	-	-	556,074	-	556,074
0885	Reserve - State Employee Medical Plan	1,681,639	-	1,681,639	-	-	-	1,681,639	-	1,681,639
0937	Reserve - Administration Reduction	(2,087,167)	-	(2,087,167)	-	-	-	(2,087,167)	-	(2,087,167)
0873	Legislative Salary Increases	789,642	-	789,642	-	-	-	789,642	-	789,642
0871	Employer's Contribution - Retirement	713,051	-	713,051	-	-	-	713,051	-	713,051
0935	Reserve for SEIBP	2,000,000	-	2,000,000	-	-	-	2,000,000	-	2,000,000
1289	Workers' Compensation Adjustment Reserve	6,830,000	-	6,830,000	-	-	-	6,830,000	-	6,830,000
1163	Continuation Reserve	9,694,578	-	9,694,578	(9,694,578)	-	(9,694,578)	-	-	-
	OTHER RESERVES	21,227,817	400,000	20,827,817	(9,536,578)	-	(9,536,578)	11,691,239	400,000	11,291,239
0892	GARVEE Bond Redemption	67,605,000	67,605,000	-	-	-	-	67,605,000	67,605,000	-
	DEBT SERVICE	67,605,000	67,605,000	-	-	-	-	67,605,000	67,605,000	-
7826	Capital Improvements	6,965,700	-	6,965,700	-	-	-	6,965,700	-	6,965,700
	CAPITAL IMPROVEMENTS	6,965,700	-	6,965,700	-	-	-	6,965,700	-	6,965,700
0704	Legal - Field	9,654,515	9,654,515	-	-	-	-	9,654,515	9,654,515	-
0714	Engineer Trainee Program	3,683,520	3,683,520	-	-	-	-	3,683,520	3,683,520	-
0720	Governor's Highway Safety Program	15,364,703	15,364,703	-	-	-	-	15,364,703	15,364,703	-
1017	Director of Preconstruction - Field	164,921	164,921	-	-	-	-	164,921	164,921	-
1020	Utilities Unit - Engineering and Encroachments	3,469,288	3,469,288	-	-	-	-	3,469,288	3,469,288	-
1066	Utilities Unit - Field	54,527,700	54,527,700	-	-	-	-	54,527,700	54,527,700	-
1068	Materials and Tests - Field	22,068,536	22,068,536	-	-	-	-	22,068,536	22,068,536	-
1071	Construction Unit - Field	5,862,512	5,862,512	-	-	-	-	5,862,512	5,862,512	-
1080	Roadside Environmental Unit - SW Field	9,270,621	9,270,621	-	-	-	-	9,270,621	9,270,621	-
1081	Equal Opportunity and Workforce Services - Field	3,195,392	3,195,392	-	-	-	-	3,195,392	3,195,392	-
1087	Safe Routes to School - Field	1,424,183	1,424,183	-	-	-	-	1,424,183	1,424,183	-
1088	Public Information - Field	650,672	650,672	-	-	-	-	650,672	650,672	-
1097	Strategic Planning - Office of Transportation - Field	407,842	407,842	-	-	-	-	407,842	407,842	-
1098	HR Talent Management - Field	218,128	218,128	-	-	-	-	218,128	218,128	-
1099	Governance Office - Field	1,151,528	1,151,528	-	-	-	-	1,151,528	1,151,528	-
1112	State Road Maintenance - Field	3,849,797	3,849,797	-	-	-	-	3,849,797	3,849,797	-
1136	State Road Maintenance - Field	1,875,653	1,875,653	-	-	-	-	1,875,653	1,875,653	-

Department of Transportation		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 84210		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1255	Performance Metrics Management	169,646	169,646	-	-	-	-	169,646	169,646	-
1258	Program Development - Field	7,387,886	7,387,886	-	-	-	-	7,387,886	7,387,886	-
7200	01 Field	79,352,283	79,352,283	-	-	-	-	79,352,283	79,352,283	-
7235	02 Field	78,117,668	78,117,668	-	-	-	-	78,117,668	78,117,668	-
7265	03 Field	111,227,037	111,227,037	-	-	-	-	111,227,037	111,227,037	-
7295	04 Field	77,509,676	77,509,676	-	-	-	-	77,509,676	77,509,676	-
7325	05 Field	99,437,772	99,437,772	-	-	-	-	99,437,772	99,437,772	-
7355	06 Field	89,548,521	89,548,521	-	-	-	-	89,548,521	89,548,521	-
7385	07 Field	144,542,488	144,542,488	-	-	-	-	144,542,488	144,542,488	-
7415	08 Field	65,621,189	65,621,189	-	-	-	-	65,621,189	65,621,189	-
7445	09 Field	128,162,425	128,162,425	-	-	-	-	128,162,425	128,162,425	-
7470	10 Field	124,206,328	124,206,328	-	-	-	-	124,206,328	124,206,328	-
7500	11 Field	96,836,362	96,836,362	-	-	-	-	96,836,362	96,836,362	-
7530	12 Field	70,951,055	70,951,055	-	-	-	-	70,951,055	70,951,055	-
7555	13 Field	92,821,591	92,821,591	-	-	-	-	92,821,591	92,821,591	-
7580	14 Field	76,751,087	76,751,087	-	-	-	-	76,751,087	76,751,087	-
7610	IT - Field	36,494,077	36,494,077	-	-	-	-	36,494,077	36,494,077	-
7615	Ferry	52,992,071	52,992,071	-	-	-	-	52,992,071	52,992,071	-
7620	Facilities Management and Operations Support	17,580,398	17,580,398	-	-	-	-	17,580,398	17,580,398	-
7625	Preconstruction Design - Field	54,448,890	54,448,890	-	-	-	-	54,448,890	54,448,890	-
7626	Technical Services - Field	97,289,697	97,289,697	-	-	-	-	97,289,697	97,289,697	-
7627	Structure Management - Field	32,613,744	32,613,744	-	-	-	-	32,613,744	32,613,744	-
7665	Construction Materials - Field	1,506,893	1,506,893	-	-	-	-	1,506,893	1,506,893	-
7671	Traffic Mobility and Safety	37,207,307	37,207,307	-	-	-	-	37,207,307	37,207,307	-
7675	Right of Way - Field	28,766,918	28,766,918	-	-	-	-	28,766,918	28,766,918	-
7685	Transportation Planning Program - Field	29,194,846	29,194,846	-	-	-	-	29,194,846	29,194,846	-
7690	IT Group	12,011,612	12,011,612	-	-	-	-	12,011,612	12,011,612	-
7695	PDEA - Field	66,036,898	66,036,898	-	-	-	-	66,036,898	66,036,898	-
7700	Construction and Maintenance - Field	1,589,594,939	1,589,594,939	-	-	-	-	1,589,594,939	1,589,594,939	-
7705	Grants - Field	360,195,845	360,195,845	-	-	-	-	360,195,845	360,195,845	-
7710	Equipment and Inventory Unit	163,484,244	163,484,244	-	-	-	-	163,484,244	163,484,244	-
	FIELD OPERATIONS	4,058,900,904	4,058,900,904	-	-	-	-	4,058,900,904	4,058,900,904	-
Department-wide Items										
N/A	Compensation Increase Reserve	-	-	-	7,441,663	N/A	7,441,663	7,441,663	N/A	7,441,663
N/A	Compensation Bonus Reserve	-	-	-	3,720,831	N/A	3,720,831	3,720,831	N/A	3,720,831
N/A	State Retirement Contributions	-	-	-	2,420,643	N/A	2,420,643	2,420,643	N/A	2,420,643
N/A	Severance Reserve	-	-	-	2,951,030	N/A	2,951,030	2,951,030	N/A	2,951,030
Total		\$7,199,755,488	\$5,210,154,339	\$1,989,601,149	\$61,213,462	\$2,124,611	\$59,088,851	\$7,260,968,950	\$5,212,278,950	\$2,048,690,000
Total (excluding duplicate receipt-supported fund codes)		\$3,140,854,584	\$1,151,253,435	\$1,989,601,149	\$61,213,462	\$2,124,611	\$59,088,851	\$3,202,068,046	\$1,153,378,046	\$2,048,690,000

Department of Transportation					
Budget Code 84210		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
0002	Communications	17.00	-	-	17.00
0006	Legal - Attorney General Staff	18.00	-	-	18.00
0007	Administration - Secretary	27.00	-	-	27.00
0035	Bicycle Program	3.00	-	-	3.00
0036	Public Transportation	3.00	-	-	3.00
0037	Rail Division	7.00	-	-	7.00
0041	Aeronautics	16.00	-	-	16.00
0042	Governor's Highway Safety Program	5.00	-	-	5.00
0049	Driver Licensing	706.00	-	-	706.00
0054	Motor Vehicle Exhaust Emissions	123.00	-	-	123.00
0055	Chief Engineer	5.00	-	-	5.00
0056	Deputy Chief Engineer of Operations	5.00	-	-	5.00
0149	Transportation Mobility and Safety	49.00	-	-	49.00
0177	Computer Systems	3.00	-	-	3.00
0178	Project Development and Environmental Analysis	7.00	-	-	7.00
0704	Legal - Field	45.00	-	-	45.00
0714	Engineer Trainee Program	44.00	-	-	44.00
0720	Governor's Highway Safety Program	7.00	-	-	7.00
1017	Director of Preconstruction - Field	1.00	-	-	1.00
1018	Director of Construction	2.00	-	-	2.00
1020	Utilities Unit - Engineering and Encroachments	21.00	-	-	21.00
1065	Utilities Unit - Administration	4.00	-	-	4.00
1066	Utilities Unit - Field	17.00	-	-	17.00
1067	Materials and Tests Unit	16.00	-	-	16.00
1068	Materials and Tests - Field	138.00	-	-	138.00
1069	Roadside Environmental Unit	21.00	-	-	21.00
1070	Construction Unit	6.00	-	-	6.00
1071	Construction Unit - Field	23.00	-	-	23.00
1078	Office of Equal Opportunity and Workforce Services	3.00	-	-	3.00
1080	Roadside Environmental Unit - SW Field	37.00	-	-	37.00
1081	Equal Opportunity and Workforce Services - Field	24.00	-	-	24.00
1087	Safe Routes to School - Field	1.00	-	-	1.00
1088	Public Information - Field	7.00	-	-	7.00
1096	SPOT - Administration	1.00	-	-	1.00
1097	SPOT - Field	2.00	-	-	2.00
1098	HR Talent Management - Field	1.00	-	-	1.00
1099	Governance Office - Field	8.00	-	-	8.00
1104	Governance Office - Admin	6.00	-	-	6.00
1112	State Road Maintenance - Field	17.00	-	-	17.00
1129	Office of Equal Opportunity and Workforce Services	4.00	-	-	4.00
1130	Office of Equal Opportunity and Workforce Services	7.00	-	-	7.00
1136	State Road Maintenance - Field	3.00	-	-	3.00
1186	Structure Management	4.00	-	-	4.00
1201	Division 1 - Right of Way Administration	1.00	-	-	1.00
1202	Division 2 - Right of Way Administration	1.00	-	-	1.00
1203	Division 3 - Right of Way Administration	1.00	-	-	1.00
1204	Division 4 - Right of Way Administration	1.00	-	-	1.00
1205	Division 5 - Right of Way Administration	1.00	-	-	1.00
1206	Division 6 - Right of Way Administration	1.00	-	-	1.00
1207	Division 7 - Right of Way Administration	1.00	-	-	1.00
1208	Division 8 - Right of Way Administration	1.00	-	-	1.00
1209	Division 9 - Right of Way Administration	2.00	-	-	2.00
1210	Division 10 - Right of Way Administration	1.00	-	-	1.00
1211	Division 11 - Right of Way Administration	1.00	-	-	1.00
1212	Division 12 - Right of Way Administration	1.00	-	-	1.00
1213	Division 13 - Right of Way Administration	1.00	-	-	1.00
1214	Division 14 - Right of Way Administration	1.00	-	-	1.00
1255	Performance Metrics Management	2.00	-	-	2.00
1256	Program Development - Administration	16.00	-	-	16.00
1258	Program Development - Field	14.00	-	-	14.00
7011	Inspector General	25.00	-	-	25.00
7015	Human Resources	56.00	-	-	56.00

Department of Transportation					
Budget Code 84210		Enacted	Legislative Changes		Revised
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
7020	Financial	111.00	-	1.00	112.00
7025	Information Technology	124.00	-	-	124.00
7030	Facilities Management and Support Services	48.00	-	-	48.00
7040	Ferry Administration	13.00	-	-	13.00
7050	DMV - Commissioner's Office	123.00	-	-	123.00
7055	Vehicle Registration	414.00	-	44.00	458.00
7060	License and Theft Bureau	147.00	-	-	147.00
7070	Transportation Planning Program	3.00	-	-	3.00
7080	Division 1	18.00	-	-	18.00
7085	Division 2	19.00	-	-	19.00
7090	Division 3	19.00	-	-	19.00
7095	Division 4	17.00	-	-	17.00
7100	Division 5	20.00	-	-	20.00
7105	Division 6	19.00	-	-	19.00
7110	Division 7	20.00	-	-	20.00
7115	Division 8	17.00	-	-	17.00
7120	Division 9	18.00	-	-	18.00
7125	Division 10	24.00	-	-	24.00
7130	Division 11	14.00	-	-	14.00
7135	Division 12	16.00	-	-	16.00
7140	Division 13	14.00	-	-	14.00
7145	Division 14	19.00	-	-	19.00
7150	Preconstruction Design Administration	14.00	-	-	14.00
7153	Technical Services - Administration	49.00	-	-	49.00
7175	Field Operations Support	10.00	-	-	10.00
7176	State Asset Management	18.00	-	-	18.00
7185	Safety	15.00	-	-	15.00
7190	Right of Way - Administration	30.00	-	-	30.00
7200	01 Field	420.00	-	-	420.00
7235	02 Field	381.00	-	-	381.00
7265	03 Field	376.00	-	-	376.00
7295	04 Field	398.00	-	-	398.00
7325	05 Field	450.00	-	-	450.00
7355	06 Field	374.00	-	-	374.00
7385	07 Field	339.00	-	-	339.00
7415	08 Field	383.00	-	-	383.00
7445	09 Field	313.00	-	-	313.00
7470	10 Field	361.00	-	-	361.00
7500	11 Field	469.00	-	-	469.00
7530	12 Field	336.00	-	-	336.00
7555	13 Field	387.00	-	-	387.00
7580	14 Field	441.00	-	-	441.00
7610	IT - Field	131.00	-	-	131.00
7615	Ferry	452.00	-	-	452.00
7620	Facilities Management and Operations Support	9.00	-	-	9.00
7625	Preconstruction Design - Field	262.00	-	-	262.00
7626	Technical Services - Field	282.00	-	-	282.00
7627	Structure Management - Field	196.00	-	-	196.00
7671	Traffic Mobility and Safety	165.00	-	-	165.00
7675	Right of Way - Field	63.00	-	-	63.00
7685	Transportation Planning Program - Field	109.00	-	-	109.00
7690	IT Group	66.00	-	-	66.00
7695	PDEA - Field	121.00	-	-	121.00
7700	Construction and Maintenance - Field	1,097.00	-	-	1,097.00
7705	Grants - Field	71.00	-	-	71.00
7710	Equipment and Inventory Unit	933.00	-	-	933.00
Total FTE		12,350.00	-	45.00	12,395.00

Highway Fund

HIGHWAY FUND

Total Budget Enacted 2015 Session

FY 16-17

\$1,989,601,149

Legislative Changes

Administration

1 Tag and Tax Together Program

Fund Code: 7020

Continues funding for a time-limited accountant position to support the Tag and Tax Together Program, increasing budgeted receipts by \$78,616 from the administrative fee authorized in G.S. 105-330.5(b).

Construction

2 Small Urban Construction

\$2,500,000 R

Fund Code: 7837

Continues funding for the Small Urban Construction Fund. The revised net appropriation for Small Urban Construction is \$2,500,000 in FY 2016-17. (H.B. 1140/S.B. 885, S.L. 2016-94, Sec. 35.19)

Division of Motor Vehicles

3 Military Commercial Driver License Training

\$258,885 R

Fund Code: 0049

Provides funding to continue a training initiative to assist military personnel in obtaining a Commercial Driver License (CDL). The revised net appropriation for this initiative is \$258,885 in FY 2016-17.

4 DMV Modernization Promotion

\$500,000 NR

Fund Code: 7050

Increases funding for advertising/marketing by \$500,000 nonrecurring for a multi-channel public outreach campaign to promote DMV modernization initiatives and the availability of online services. The revised net appropriation for advertising/marketing is \$561,600 in FY 2016-17.

5 Driver License Examiner Staff Augmentation

\$2,901,656 R

Fund Code: 0049

Provides funding for contracted driver license examiners to augment existing staffing and implement a 60-hour business week model in Districts 3 and 6. The revised net appropriation for professional fees is \$3,294,841 in FY 2016-17.

6 Tag and Tax Together Program

Fund Code: 7055

Continues funding for 44 time-limited positions to support the Tag and Tax Together Program, increasing budgeted receipts by \$2,045,995 from the administrative fee authorized in G.S. 105-330.5(b). (S.L. 2016-94, Sec. 35.15)

7 Medical Review Program

\$1,312,636 R

Fund Code: 7050

Increases funding for the Medical Review Program for contracted medical reviews. The revised net appropriation for the Commissioner's Office is \$10,886,832 in FY 2016-17. (S.B. 723/H.B. 959; H.B. 1140/S.B. 885, S.L. 2016-94, Sec. 35.20)

Intermodal

8 Ferry System Modernization

\$4,000,000 R

Fund Code: 7825

\$6,000,000 NR

Establishes recurring funding for a new system-wide reserve account for the replacement of ferry vessels and provides \$6.0 million of nonrecurring funding to initiate passenger-only service between Hatteras and Ocracoke, for capital improvements to the North Carolina State Shipyard, and for the reconstruction or rehabilitation of terminal ramp, gantry, and bulkhead infrastructure. The revised net appropriation for Ferry Operations is \$49,318,905 in FY 2016-17. (H.B. 1002, S.B. 540, S.B. 812; S.L. 2016-94, Sec. 35.1)

9 Public Transportation - Rural Operating Assistance Program

\$2,000,000 R

Fund Code: 7831

Increases funding for rural transit system operating assistance. The revised net appropriation for the Rural Operating Assistance Program (ROAP) is \$18,807,528 in FY 2016-17.

10 Public Transportation - State Maintenance Assistance Program

\$2,000,000 R

Fund Code: 7831

Increases funding for urban transit system operating assistance. The revised net appropriation for the State Maintenance Assistance Program (SMAP) is \$32,528,557 in FY 2016-17.

11 Rail - Freight Rail & Rail Crossing Safety Improvement Fund

\$13,750,000 R

Fund Code: 7829

Increases funding for the Freight Rail & Rail Crossing Safety Improvement Fund by \$13.8 million recurring for track improvements, crossing safety, and industrial, port, and military access improvements. The revised net appropriation for the Freight Rail & Rail Crossing Safety Improvement Fund is \$17,500,000 in FY 2016-17. (S.L. 2016-94, Sec. 35.21)

12 Aviation - State Aid to Airports \$14,817,417 R

Fund Code: 7830

Increases funding for grants-in-aid for general aviation airport development. The revised net appropriation for the Airports Program is \$46,517,417 in FY 2016-17. (H.B. 1140/S.B. 885)

Maintenance

13 Reserve for General Maintenance \$412,983,149 R

Fund Code: 0934

Consolidates funding for roadway maintenance within the Reserve for General Maintenance based on the transfer of funds from the Primary Maintenance account and the Secondary Road Maintenance and Improvement Fund. Through collaboration with the 14 highway division engineers, the Department shall develop new guidelines and procedures to allocate funds within this reserve account for maintenance on primary and secondary roads. The intent is to give greater discretion to the 14 highway division engineers to manage their budgets more effectively and efficiently.

Transferred funds are also reduced by \$7,785,910. The revised net appropriation for the Reserve for General Maintenance is \$467,583,999 in FY 2016-17. (S.L. 2016-94, Sec. 35.24)

14 Secondary Road Maintenance and Improvement Fund (\$285,289,910) R

Fund Code: 7822

Consolidates the funding from three maintenance accounts into one fund. The intent is to give greater discretion to the 14 highway division engineers to manage their budgets more effectively and efficiently. Funds in the Secondary Maintenance and Improvement Fund are transferred to the Reserve for General Maintenance (Fund Code 0934). The revised net appropriation for the Secondary Maintenance and Improvement Fund is \$0 in FY 2016-17. (S.L. 2016-94, Sec. 35.24)

15 Primary Maintenance (\$135,479,149) R

Fund Code: 7821

Consolidates the funding from three maintenance accounts into one fund. The intent is to give greater discretion to the 14 highway division engineers to manage their budgets more effectively and efficiently. Funds in the Primary Maintenance account are transferred to the Reserve for General Maintenance (Fund Code 0934). The revised net appropriation for Primary Maintenance is \$0 in FY 2016-17. (S.L. 2016-94, Sec. 35.24)

16 Bridge Program (Statutory Adjustment) \$300,000 R

Fund Code: 7839

Adjusts funding for the Bridge Program based on the revised revenue forecast. The program receives the balance of funds generated from the gasoline inspection fee after deducting expenses for the Department of Revenue for collecting the tax and expenses for the Department of Agriculture and Consumer Services for fuel inspection. The revised net appropriation for the Bridge Program is \$242,374,444 in FY 2016-17.

Reserves

17 Compensation Increase Reserve \$5,581,247 R

Fund Code: N/A \$1,860,416 NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

The approximate revised net appropriation for Highway Fund-supported positions is \$312.3 million for FY 2016-17. (S.L. 2016-94, Sec. 36.1A)

18 Compensation Bonus Reserve \$3,720,831 NR

Fund Code: N/A

Provides funding for one-time merit-based bonuses for State employees. The Office of State Human Resources shall develop policies for the allocation of merit-based bonuses. Merit-based bonuses provided by employing agencies shall not be considered compensation for retirement purposes. Corresponding special provisions provide additional details on these compensation adjustments.

The approximate revised net appropriation for Highway Fund-supported positions is \$312.3 million for FY 2016-17. (S.L. 2016-94, Sec. 36.1)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-5, item 4.)

19 State Retirement Contributions \$968,257 R

Fund Code: N/A \$1,452,386 NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

The approximate revised net appropriation for Highway Fund-supported members of TSERS is \$48.8 million for FY 2016-17.

20 Severance Reserve**Fund Code:** N/A

\$2,951,030 NR

Establishes a severance reserve for employees affected by the DOT reorganization plan whose salaries are supported by the Highway Fund Administration account or the Highway Trust Fund Administration account.

Revenue Availability**21 Registration Fees****Fund Code:** N/A

Reduces Highway Fund revenue from registration fees by \$220,000 based on permanent plate eligibility for public transportation service providers.

Transfers**22 Continuation Review Reserve****Fund Code:** 1163

(\$9,694,578) R

Eliminates the \$9.7 million reserve for appropriated transfers and the \$29.4 million reserve for potential revenue established by S.L. 2015-241, Sec. 6.20 in FY 2016-17.

Revenues are restored to the following programs based on the results of Continuation Reviews:

- DEQ - Commercial Leaking Petroleum Underground Storage Tank Cleanup Fund
- DEQ - Division of Air Quality Inspection and Maintenance Fees
- DEQ - Division of Air Quality Water and Air Quality Account
- DEQ - Mercury Pollution Prevention Account
- DOI - Rescue Squad Workers' Relief Fund
- DOI - Volunteer Rescue/EMS Grant Program
- WRC - Boating Account

(H.B. 1140/S.B. 885)

(Portions of this item also appear in the Conference Committee Report in the Agriculture and Natural and Economic Resources section on pages H-25, H-27, H-29, and H-42 in the General Government section on pages J-28 and J-30, and in the Transportation section on page K-16.)

23 Department of Insurance - State Fire Protection Grant Fund**Fund Code:** 0878

\$158,000 NR

Restores the transfer to the Department of Insurance, State Fire Protection Grant Fund in FY 2016-17. The revised net appropriation for the State Fire Protection Grant Fund is \$158,000 in FY 2016-17. (H.B. 1140/S.B. 885)

(This item also appears in the General Government section of the Conference Committee Report. See page J-27, item 21.)

24 Department of Public Safety - Inmate Litter Collection & Road Cleanup

Fund Code: 0934

\$9,040,000 NR

Restores funding in FY 2016-17 for inmate road squads and litter crews provided under the supervision of the Department of Public Safety within the Reserve for General Maintenance per the consolidation of Highway Fund maintenance accounts. The revised net appropriation for these activities is \$9,040,000 in FY 2016-17. (H.B. 1140/S.B. 885)

(This item also appears in the Justice and Public Safety section of the Conference Committee Report. See page I-9, item 15.)

25 Office of State Controller - Best Shared Services

Fund Code: 0893

\$496,578 R

Restores recurring funding to the Office of State Controller for 7.24 full-time equivalent positions which support human resources and payroll operations. The revised net appropriation for transfer to the Office of State Controller - BEST Shared Services is \$496,578 in FY 2016-17. (H.B. 1140/S.B. 885)

(This item also appears in the General Government section of the Conference Committee Report. See page J-122, item 90.)

Total Legislative Changes	\$33,406,188	R
	\$25,682,663	NR
Total Position Changes		
Revised Budget	\$2,048,690,000	

**Department of Transportation
Budget Code 84290**

Highway Trust Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$1,339,235,000
Receipts	\$0
<hr/>	
Net Appropriation	\$1,339,235,000

Legislative Changes

Requirements	\$32,045,000
Receipts	\$0
<hr/>	
Net Appropriation	\$32,045,000

Revised Budget

Requirements	\$1,371,280,000
Receipts	\$0
<hr/>	
Net Appropriation	\$1,371,280,000

Highway Trust Fund FTE

Enacted Budget	0.00
Legislative Changes	0.00
<hr/>	
Revised Budget	0.00

Department of Transportation		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 84290		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
6002	Program Administration	35,064,813	-	35,064,813	-	-	-	35,064,813	-	35,064,813
6005	Bond Redemption	51,785,964	-	51,785,964	-	-	-	51,785,964	-	51,785,964
6006	Bond Interest	9,226,265	-	9,226,265	-	-	-	9,226,265	-	9,226,265
6008	Turnpike Authority	49,000,000	-	49,000,000	-	-	-	49,000,000	-	49,000,000
6012	Transfer to Visitor Center	400,000	-	400,000	-	-	-	400,000	-	400,000
9075	Strategic Prioritization	1,193,757,958	-	1,193,757,958	32,045,000	-	32,045,000	1,225,802,958	-	1,225,802,958
Total		\$1,339,235,000	\$0	\$1,339,235,000	\$32,045,000	\$0	\$32,045,000	\$1,371,280,000	\$0	\$1,371,280,000

Highway Trust Fund

HIGHWAY TRUST FUND

FY 16-17

Total Budget Enacted 2015 Session

\$1,339,235,000

Legislative Changes

Construction

26 Strategic Transportation Investments

\$32,045,000 R

Fund Code: 9075

Modifies funding to the Strategic Transportation Investments Program. The revised net appropriation is \$1,225,802,958 in FY 2016-17.

Revenue Availability

27 Certificate of Title Fees

Fund Code: N/A

Eliminates the transfer of \$0.50 of the fee collected per certificate of title transaction to the Mercury Switch Removal Account in the Department of Environmental Quality, increasing Highway Trust Fund revenue by \$1.2 million.

(This item also appears in the Conference Committee Report in the Agriculture and Natural And Economic Resources section on page H-23 and in the Transportation section on page K-12.)

Total Legislative Changes

\$32,045,000 R

Total Position Changes

Revised Budget

\$1,371,280,000

Special Provisions

2016 Session: HB 1030

Department:

Section 35.1

Title: **STABILIZATION OF FUNDING FOR FERRY SYSTEM/PRIORITY BOARDING**

Summary Section 35.1(a) amends G.S. 136-82 to continue the collection of tolls on currently tolled routes and prohibits the future imposition of tolls on routes which are currently toll-free, except for the new Hatteras-Ocracoke passenger-only route. This section also establishes a systemwide reserve account for ferry vessel replacements and authorizes the Ferry Division to charge \$150 for priority boarding passes for commercial vehicles.

Section 35.1(b) authorizes the use of \$6.0 million in nonrecurring funds for terminal infrastructure and capital improvements to the North Carolina Ferry System, including up to \$3.7 million to initiate passenger-only service between Hatteras and Ocracoke. Additionally, \$4.0 million recurring is directed to the new systemwide reserve account for vessel replacement.

Section 35.1(c) authorizes the Department of Transportation to adopt temporary rules to implement the section and requires the repeal of currently conflicting rules.

Section 35.1(d) makes the changes effective July 1, 2016.
(H.B. 1002, S.B. 540, S.B. 812)

Section 35.2

Title: **CASH FLOW HIGHWAY FUND AND HIGHWAY TRUST FUND APPROPRIATIONS**

Summary Sets forth the amount of estimated available cash for the next four fiscal years beginning in FY 2017-18. (H.B. 1140/S.B. 885)

Section 35.3

Title: **ELIMINATE PORTION OF DMV TRANSACTION FEES SET ASIDE FOR MERCURY SWITCH REMOVAL ACCOUNT**

Summary Amends G.S. 20-85(a1) to shift revenue derived from \$0.50 of the fee for vehicle titling transactions from the Mercury Switch Removal Account in the Department of Environmental Quality to the Highway Trust Fund. (H.B. 1140/ S.B. 885)

Section 35.4

Title: **PROMOTE NORTH CAROLINA HISTORICAL SITES**

Summary Amends G.S. 136-42.3 to increase the amount of funds that may be expended to purchase historical markers from \$40,000 to \$60,000 annually. (H.B. 1140/ S.B. 885)

Section 35.5

Title: **INCREASE DOT BID THRESHOLD & REPORT**

Summary Revises G.S. 136-28.1 to increase the amount that a project can be let after advertising from \$2.5 million to \$5 million. Requires DOT to report to the chairs of the House Committee on Department of Transportation and the Senate Appropriations Committee on Department of Transportation on the impact to small businesses by May 1, 2017.

Section 35.6

Title: **REVISE DOT BIDDING PROCESS**

Summary Amends G.S. 136-28.1 to increase the transparency of the DOT bidding process and provide for uniform timeframes across DOT divisions to post bids, publish bid results, and disclose bid cost estimates.

Section 35.7

Title: **ADJUST UNPAVED ROADS FUNDING EXPENDITURES**

Summary Amends the funding distribution formula set forth in G.S. 136-44.2D used to pave unpaved roads. Half of the funds, totaling \$6 million, will be equally distributed to the 14 highway divisions based on the prioritized scores within the division. The remaining \$6 million will continue to be awarded based on the Statewide prioritization program. (H.B. 963)

Section 35.8

Title: **RESERVE FOR GENERAL MAINTENANCE /USE PORTION OF FUNDS FOR LITTER REMOVAL**

Summary Authorizes DOT to spend up to \$10 million nonrecurring for litter removal from the General Maintenance Reserve account. (H.B. 1140/S.B. 885)

Section 35.9

Title: **STUDY/OFF-HIGHWAY PARKING FOR TRACTOR-TRAILERS & SEMI-TRAILERS**

Summary Requires DOT, the Departments of Public Safety and Commerce, and the North Carolina Trucking Industry to study ways to provide off-highway parking to tractor-trailers and semi-trailers. The report, along with recommendations, is due February 1, 2017 to the chairs of the House Committee on Department of Transportation and the Senate Appropriations Committee on Department of Transportation.

Section 35.11

Title: **DOT/REPORT ON RECOMMENDATIONS FOR REVISING METHOD FOR MEASURING OUTSOURCING OF PRECONSTRUCTION ACTIVITIES**

Summary Requires DOT to report on how it will measure the amount of preconstruction activities outsourced once these functions are consolidated into construction projects led by the 14 highway divisions. The report is due March 1, 2017 to the chairs of the House Committee on Department of Transportation and the Senate Appropriations Committee on Department of Transportation.

Section 35.12

Title: **REPEAL LIGHT RAIL FUNDING CAP**

Summary Section 35.12 repeals G.S. 136-189.11(e1), thereby removing a \$500,000 cap on State expenditures for Strategic Transportation Investments (STI)-eligible light rail projects funded by the Highway Trust Fund.

Section 35.12(b) requires the resubmission of previously submitted light rail projects under the next round of prioritization ("Prioritization 5.0").

Sections 35.12(c) and 35.12(d) set maximum State funding for light rail and commuter rail transit projects funded through the STI Regional and Division Needs tiers at 10% of the total project cost used for the project prioritization process.
(H.B. 988/S.B. 857)

Section 35.13

Title: **REPEAL SUNSET ON LATE FEE FOR MOTOR VEHICLE REGISTRATIONS**

Summary Modifies S.L. 2015-241, Section 29.30(u) to remove the 12/31/2017 sunset of the late penalty for motor vehicle registrations.

Section 35.15

Title: **MAKE TIME-LIMITED POSITIONS IN SUPPORT OF THE COMBINED MOTOR VEHICLE REGISTRATION AND PROPERTY TAX COLLECTION SYSTEM PERMANENT**

Summary Modifies S.L. 2012-142, Section 24.10(a), as amended by S.L. 2015-241, Section 29.37 to convert 45 positions from time-limited to permanent status and authorize the cross-training of personnel as deemed necessary by the Commissioner of Motor Vehicles.

Section 35.16

Title: **PERMANENT REGISTRATION PLATES FOR CERTAIN TRANSIT PROVIDERS**

Summary Modifies G.S. 20-84(b) to authorize DMV to issue permanent plates to public transportation service providers that are recipients of the Federal Transit Administration's formula grant funds.

Section 35.18

Title: **LEASE AND CONVEYANCE OF MURPHY BRANCH RAIL LINE**

Summary Authorizes the Department of Transportation, Rail Division to dispose or revitalize the rail-banked corridor between Andrews and Murphy in accordance with local and State agency transportation or recreational use determinations, as well as joint local governmental financial participation.

Section 35.19

Title: **RESTORE FUNDING FOR SMALL CONSTRUCTION PROJECTS**

Summary Restores the amount of funding for the Small Construction Fund at \$2.5 million and changes funding to recurring. Each Highway Division receives \$178,000 for small construction projects.
(H.B. 1140/S.B. 885, H.B. 959/S.B. 723)

Section 35.20

Title: **REVISIONS TO DMV MEDICAL REVIEW PROGRAM**

Summary Modifies medical review procedures as outlined in multiple sections of Chapter 20 of the General Statutes to:

- allow for license issuance in advance of submission of a signed certificate of physical examination by a health care provider;
- stay a restriction upon receipt of a hearing request if DMV concludes that continuance of unrestricted driving doesn't constitute a threat to public safety; and,
- make conforming changes. (H.B. 1140/S.B. 885)

Section 35.21

Title: **REVISIONS/FREIGHT RAIL & RAIL CROSSING SAFETY IMPROVEMENT FUND AND SHORT-LINE RAILROAD ASSISTANCE**

Summary Section 35.21(a) modifies G.S. 124-5.1 to authorize grant funding for projects on short-line railroad corridors without active freight rail service and to clarify that State-funded improvements to rail lines and corridors may span bordering state boundaries in order to connect to the national system.

Section (b) modifies G.S. 136-44.39 to clarify that projects on short-line railroads that enhance common carrier service are eligible for funding.
(H.B. 959, S.B. 761)

Section 35.22

Title: **DOT/IMPLEMENTATION OF REDUCTION PLAN**

Summary Authorizes DOT to enact the Restructuring Plan it submitted as required in Sec. 29.14(d)(4) of S.L. 2015-241. The plan will reduce the DOT workforce by 256 positions no later than March 16, 2017. Reports on the three phases are due on September 16, 2016, January 16, 2017, and March 16, 2017 to the chairs of the House Committee on Department of Transportation and the Senate Appropriations Committee on Department of Transportation.

Section 35.23

Title: **PROHIBIT CHIP SEAL TREATMENT ON SUBDIVISION STREETS**

Summary Amends G.S. 136-44.3A to allow DOT the option of using a chip seal with a fog seal top coat in lieu of resurfacing on subdivision streets.

Section 35.24

Title: **CONSOLIDATE MAINTENANCE ACCOUNTS**

Summary Consolidates the Primary Maintenance Account, the Secondary Road Maintenance and Improvement Fund, and the Reserve for General Maintenance into one fund. It amends G.S. 136-44.6 to direct DOT to apply a formula distribution for primary and secondary funds to Highway Divisions, not counties, and gives greater discretion to Division Engineers to manage their budgets to best meet their general maintenance needs. DOT will report to the chairs of the House Committee on Department of Transportation and the Senate Appropriations Committee on Department of Transportation by July 15, 2016 on the implementation of this section.

Section 35.25

Title: **CRASH REPORTING PROGRAM MAINTENANCE**

Summary Directs the Division of Motor Vehicles (DMV) to procure an information technology system for its Crash Reporting Program by October 31, 2016 and requires reporting in subsequent years on the status of implementation, the transitioning of maintenance, and observed impacts for access to reports and for DMV operations.

Section 35.26

Title: **DOT/CLARIFY AUTHORITY OF CHIEF AND DIVISION ENGINEERS**

Summary Amends G.S. 136-4 to consolidate responsibility and oversight over all stages of a construction project under the Chief Engineer. The Chief Engineer will determine which types of projects, and the resulting responsibility and oversight, to delegate to the 14 Highway Division Engineers and report the results to the Joint Legislative Transportation Oversight Committee by December 1, 2016.

Section 35.27

Title: **STATE PORTS AUTHORITY/FUNDING FOR DREDGING**

Summary Authorizes the Ports Authority to spend \$7.5 million nonrecurring from existing funds for the dredging of approaches to State ports facilities.

Section 35.28

Title: **DESIGNATE PORTION OF INTERSTATE 40 AS "SENATOR WENDELL HOLMES MURPHY, SR. FREEWAY"**

Summary Directs DOT to designate a portion of I-40 as the "Senator Wendell Holmes Murphy Sr., Freeway."

2016 Session: HB 805

Department:

Section 11A.1

Title: **BUDGET CHANGE: PROJECT U-2211B**

Summary Directs DOT to pay 75%, equaling \$768,653, of the nonbetterment costs for the relocation of water and sewer lines owned by the City of Lenoir for Project U-2211B.

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**Reserves,
Debt Service,
and
Adjustments
Section L**

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**Statewide Reserves
Budget Code Multiple**

General Fund Budget

FY 2016-17

Enacted Budget

Requirements	\$1,129,696,961
Receipts	\$0
<hr/>	
Net Appropriation	\$1,129,696,961

Legislative Changes

Requirements	(\$125,731,729)
Receipts	\$0
<hr/>	
Net Appropriation	(\$125,731,729)

Revised Budget

Requirements	\$1,003,965,232
Receipts	\$0
<hr/>	
Net Appropriation	\$1,003,965,232

General Fund FTE

Enacted Budget	0.00
Legislative Changes	0.00
<hr/>	
Revised Budget	0.00

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Statewide Reserves		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code Multiple		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Budget Code	Budget Name	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
19001	Contingency and Emergency	5,000,000	-	5,000,000	-	-	-	5,000,000	-	5,000,000
19003	Compensation Increase Reserve	-	-	-	28,103,159	-	28,103,159	28,103,159	-	28,103,159
19004	Salary Adjustment Fund	25,000,000	-	25,000,000	-	-	-	25,000,000	-	25,000,000
19005	OSHR Minimum of Market	12,000,000	-	12,000,000	(12,000,000)	-	(12,000,000)	-	-	-
19013	Job Development Grant Fund (JDIG)	71,728,126	-	71,728,126	(10,000,000)	-	(10,000,000)	61,728,126	-	61,728,126
19044	Information Technology Fund & Reserve	43,002,697	-	43,002,697	(43,002,697)	-	(43,002,697)	-	-	-
19048	Workers Compensation Reserve	21,500,543	-	21,500,543	-	-	-	21,500,543	-	21,500,543
19063	One North Carolina Fund	9,000,000	-	9,000,000	(417,883)	-	(417,883)	8,582,117	-	8,582,117
19068	Pending Legislation	-	-	-	1,200,000	-	1,200,000	1,200,000	-	1,200,000
19064	Reserve for Future Benefit Needs	71,000,000	-	71,000,000	(867,331)	-	(867,331)	70,132,669	-	70,132,669
19080	UNC System Enrollment Growth Reserve	31,000,000	-	31,000,000	(31,000,000)	-	(31,000,000)	-	-	-
19081	Public Schools ADM	107,000,000	-	107,000,000	(107,000,000)	-	(107,000,000)	-	-	-
19082	Film and Entertainment Grant Fund	30,000,000	-	30,000,000	-	-	-	30,000,000	-	30,000,000
19930	State Emergency & Disaster Relief Fund	-	-	-	10,000,000	-	10,000,000	10,000,000	-	10,000,000
19420	Debt Service - General Fund	701,849,215	-	701,849,215	1,253,023	-	1,253,023	703,102,238	-	703,102,238
19425	Debt Service - Federal	1,616,380	-	1,616,380	38,000,000	-	38,000,000	39,616,380	-	39,616,380
Total		1,129,696,961	-	1,129,696,961	(125,731,729)	-	(125,731,729)	1,003,965,232	-	1,003,965,232

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

Statewide Reserves					
Budget Code Multiple		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Budget Code	Budget Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
19001	Contingency and Emergency	-	-	-	-
19003	Compensation Increase Reserve	-	-	-	-
19004	Salary Adjustment Fund	-	-	-	-
19005	OSHR Minimum of Market	-	-	-	-
19013	Job Development Grant Fund (JDIG)	-	-	-	-
19044	Information Technology Fund & Reserve	-	-	-	-
19048	Workers Compensation Reserve	-	-	-	-
19063	One North Carolina Fund	-	-	-	-
19068	Pending Legislation	-	-	-	-
19064	Reserve for Future Benefit Needs	-	-	-	-
19080	UNC System Enrollment Growth Reserve	-	-	-	-
19081	Public Schools ADM	-	-	-	-
19082	Film and Entertainment Grant Fund	-	-	-	-
19930	State Emergency & Disaster Relief Fund	-	-	-	-
19420	Debt Service - General Fund	-	-	-	-
19425	Debt Service - Federal	-	-	-	-
Total		-	-	-	-

Statewide Reserves

GENERAL FUND

Total Budget Enacted 2015 Session

FY 16-17

\$1,129,696,961

Legislative Changes

A. Base Budget Adjustments

1 Public Schools Average Daily Membership (ADM) (\$107,000,000) R
Budget Code: 19081

Eliminates the ADM Reserve. Funding for increased ADM in FY 2016-17 is provided in the Department of Public Instruction budget in the Education section of the Committee Report. The revised net appropriation for the Public Schools ADM Reserve is \$0 for FY 2016-17.

2 University of North Carolina (UNC) System Enrollment Growth Reserve (\$31,000,000) R
Budget Code: 19080

Eliminates the UNC System Enrollment Growth Reserve. Funding for projected enrollment growth is provided in the UNC System budget in the Education section of the Committee Report. The revised net appropriation for the UNC System Enrollment Growth Reserve is \$0 for FY 2016-17.

B. Employee Salaries and Benefits

3 Reserve for Future Benefit Needs (\$867,331) R
Budget Code: 19064

Reduces the General Fund Reserve for Future Benefit Needs to the amount needed to implement the contribution rates in Section 36.20(b). The revised net appropriation for Reserve for Future Benefit Needs is \$70.1 million for FY 2016-17.

4 Compensation Bonus Reserve - Executive Branch \$28,103,159 NR
Budget Code: 19003

Provides funding for one-time merit-based bonuses for Executive Branch State employees. The State Human Resources Commission shall develop policies for the allocation of merit-based bonuses for State agency employees. Merit-based bonuses provided by employing agencies shall not be considered compensation for retirement purposes. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million. (S.L. 2016-94, Sec. 36.1A)

5 Minimum of Market Adjustment Reserve

(\$12,000,000) R

Budget Code: 19005

Eliminates the funding to the Office of State Human Resources for the Minimum of Market Adjustment Reserve. The funds within this reserve were incorporated into the Compensation Increase Reserve for FY 2016-17. The revised net appropriation for the Minimum of Market Reserve in FY 2016-17 is \$0.

C. Other Reserves

6 Pending Legislation

\$1,000,000 R

Budget Code: 19068

\$200,000 NR

Provides funds for pending legislation such as H.B. 1080, Achievement School District; H.B. 805, Measurability Assessments; and S.B. 124, Assumed Bus. Name/IC Contempt/Parks. The revised net appropriation for the Pending Legislation Reserve is \$1.2 million.

(H.B. 805 was amended to include budget and technical changes to S.L. 2016-94, 2016 Appropriations Act and is now S.L. 2016-123.)

7 State Emergency Response and Disaster Relief Fund

\$10,000,000 NR

Budget Code: 19930

Provides funds for emergencies and disasters as specified in G.S. 166A-19.42. The revised net appropriation for the State Emergency Response and Disaster Relief Fund in FY 2016-17 is \$10 million.

(S.L. 2016-123, Sec. 8.1, Measurability Assessments/Budget Tech. Corr. directs the transfer of \$500,000 to the Governor's Office to fund the litigation costs associated with S.L. 2016-3, Public Facilities Privacy & Security Act.)

8 Job Development Investment Grant (JDIG) Reserve

(\$10,000,000) NR

Budget Code: 19013

Adjusts funding in the JDIG Reserve to reflect projected spending needs based on anticipated payouts of awarded grants. The revised net appropriation for JDIG in FY 2016-17 is \$61,728,126.

9 One North Carolina Fund

(\$417,883) NR

Budget Code: 19063

Adjusts funding to reflect projected spending needs based on anticipated performance of grantees. The revised net appropriation for the One North Carolina Fund in FY 2016-17 is \$8,582,117.

10 Information Technology (IT) Fund Transfer (\$21,681,854) R
Budget Code: 19044

Eliminates the IT Fund and transfers the funds traditionally appropriated to the IT Fund to the Department of Information Technology's (DIT) General Fund budget code 14660. The revised net appropriation for the IT Fund in Statewide Reserves in FY 2016-17 is \$0. (S.L. 2016-94, Secs. 7.1 and 7.3)

(This item also appears in the Information Technology Section of the Conference Committee Report. See page N-5, item 3)

11 Information Technology (IT) Reserve Transfer (\$21,320,843) R
Budget Code: 19044

Eliminates the IT Reserve and transfers the funds traditionally appropriated to the IT Reserve to the DIT General Fund budget code 14660. The revised net appropriation for the IT Fund previously budgeted in Statewide Reserves is \$0 for FY 2016-17. (S.L. 2016-94, Secs. 7.2 and 7.3)

(This item also appears in the Information Technology Section of the Conference Committee Report. See page N-5, item 4)

D. Debt Service

12 Federal Reimbursement Adjustment \$38,000,000 NR
Budget Code: 19425

Provides funds to repay in its entirety the debt owed to the federal government for the Wilmington Harbor Navigation 96 Act Project. Any excess funds remaining after paying off the debt shall revert to the General Fund. The revised net appropriation for this debt in FY 2016-17 is \$38 million.

13 Debt Service Adjustment \$1,253,023 R
Budget Code: 19420

Increases General Fund debt service funding to pay increased costs anticipated for the Connect NC bond. The revised net appropriation for debt service in FY 2016-17 is \$703,102,238.

Total Legislative Changes	(\$191,617,005)	R
	\$65,885,276	NR
Total Position Changes		
Revised Budget	\$1,003,965,232	

Special Provisions

2016 Session: HB 805

Department: Statewide Reserves

Section: 8.1

Title: BUDGET CHANGE: STATE EMERGENCY RESPONSE AND DISASTER RELIEF FUND

Summary Transfers \$500,000 from the State Emergency Response and Disaster Relief Fund to the Governor's Office to fund the litigation costs associated with S.L. 2016-3, Public Facilities Privacy & Security Act.

Special Provisions

2016 Session: HB 1030

Department: Availability and Appropriations

Section: 1.1

Title: **INTRODUCTION**

Summary Sets forth the broad parameters of the 2016 Appropriations Act, including the requirement that unspent funds revert in accordance with G.S. 143C, State Budget Act.

Section: 1.2

Title: **TITLE OF ACT**

Summary Sets the title of S.L. 2016-94, 2016 Appropriations Act, as the "Current Operations and Capital Improvements Appropriations Act of 2016."

Section: 2.1

Title: **CURRENT OPERATIONS AND EXPANSION/GENERAL FUND**

Summary Adjusts State agency FY 2016-17 budgets enacted during the 2015 session. Adjustments represent net General Fund appropriation changes to the certified budget.

(S.L. 2016-123, Sec. 2.1, Measurability Assessments/Budget Tech. Corr., amends this section to correct adjustments to the appropriations for the University of North Carolina, the Department of Commerce, and the Department of Natural and Cultural Resources, and to adjust the appropriations in the Department of Administration and the General Assembly budgets to effectuate the transfer of the Youth Legislative Assembly.)

Section: 2.2

Title: **GENERAL FUND AVAILABILITY STATEMENT**

Summary Sets forth the resources used as the basis for net appropriations from the General Fund, pursuant to G.S. 143C-5-3:

Subsection (a) sets forth the \$22,341,437,590 in general purpose revenue and other funds to support net General Fund appropriations for FY 2016-17. The balance needed to completely offset General Fund appropriations is derived from agency receipts. This section also details adjustments to various taxes and transfers from State agencies.

Subsection (b) directs the transfer of \$81.4 million to the Repairs and Renovations Reserve and appropriates that amount. Sec. 37.4(f) of this Act earmarks \$13,923,000 of these funds for specific repair and renovation projects.

Subsection (c) directs the State Controller to reserve \$473.6 million to the Savings Reserve Account.

Subsection (d) transfers \$3 million from the General Assembly's budget to general availability.

Section: 3.1

Title: **CURRENT OPERATIONS AND EXPANSION/HIGHWAY FUND**

Summary Adjusts FY 2016-17 appropriations from the Highway Fund that were enacted during the 2015 session. Adjustments represent net changes in the certified budget.

Availability and Appropriations

Section: 3.2

Title: **HIGHWAY FUND AVAILABILITY STATEMENT**

Summary Sets forth the funding from Highway Fund availability used in developing the FY 2016-17 Department of Transportation budget.

Section: 4.1

Title: **CURRENT OPERATIONS/HIGHWAY TRUST FUND**

Summary Adjusts to FY 2016-17 appropriations from the Highway Trust Fund that were enacted during the 2015 session. Adjustments represent net changes in the certified budget.

Section: 4.2

Title: **HIGHWAY TRUST FUND AVAILABILITY STATEMENT**

Summary Sets forth the funding from Highway Trust Fund availability used in developing the FY 2016-17 Department of Transportation budget.

Section: 5.1

Title: **EDUCATION LOTTERY FUNDS/NET REVENUE TRANSFERS**

Summary Amends Section 5.2 of S.L. 2015-241, 2015 Appropriations Act, regarding appropriations from the Education Lottery Fund.

Subsection (a) increases the FY 2016-17 appropriations for noninstructional support personnel that was enacted during the 2015 session. This subsection also directs that lottery proceeds in excess of appropriations be transferred to the Lottery Reserve Fund.

Subsection (b) amends G.S. 18C-164(a) to clarify that net lottery revenues may be transferred to the Education Lottery Fund at least four times per year.

Section: 5.2

Title: **CIVIL PENALTY AND FORFEITURE FUND/REVISIONS**

Summary Amends S.L. 2015-241, Sec. 5.3(c), 2015 Appropriations Act, to remove the sunset on the requirement that the General Assembly appropriate the clear proceeds of a motor vehicle registration late fee established in 2015 as a dedicated source of funds to support the State's public schools drivers education program.

2016 Session: HB 805

Department: Availability and Appropriations

Section: 2.1

Title: **TECHNICAL/BUDGET CHANGE: GENERAL PROVISIONS**

Summary Amends S.L. 2016-94, Sec. 2.1, 2016 Appropriations Act, by:

- (1) Correcting adjustments made in the university budgets;
- (2) Reducing the Department of Commerce budget and increasing the Department of Natural and Cultural Resources budget to reflect the creation of a Distance Learning position;
- (3) Reducing the Department of Administration budget and increasing the General Assembly budget to transfer a position associated with the Youth Legislative Assembly.

Availability and Appropriations

Special Provisions

2016 Session: HB 1030

Department: General Provisions

Section: 6.1

Title: **ESTABLISHING OR INCREASING FEES**

Summary Notwithstanding G.S. 12-3.1 to provide that an agency is not required to consult with the Joint Legislative Commission on Governmental Operations prior to establishing or increasing a fee authorized in the 2016 Appropriations Act.

This section also notwithstanding G.S. 150B-21.1A(a) to permit an agency to adopt emergency rules to establish or increase fees authorized in the 2016 Appropriations Act.

Section: 6.2

Title: **EXPENDITURES OF FUNDS IN RESERVES LIMITED**

Summary Limits the expenditure of funds appropriated in reserves to those purposes for which the reserves were established.

Section: 6.3

Title: **BUDGET STABILITY AND CONTINUITY**

Summary Amends G.S.143C-5-4 to require that certain newly-established procedures be followed when a new State operating budget has not been enacted prior to the end of a fiscal biennium. G.S.143C 5-4 is amended to add a new subsection (b) that:

(1) Authorizes the Governor to continue to allot funds for recurring expenditures for current operations by State departments, institutions, and agencies at the level and under the same directions and limitations at which these operations were authorized in the prior fiscal year unless projected revenues are less than in the prior year. If revenues are less, then the Governor is directed to reduce allotments accordingly.

(2) Appropriates all funds necessary to continue the State's recurring operating budget at the prior-year level.

(3) Establishes that the State's prior year recurring operating budget remains in effect until a subsequent budget becomes law.

(4) Prohibits filling vacant positions subject to proposed budget reductions in either chamber's proposed budgets.

(5) and (6) Prohibit compensation increases that would otherwise take effect via statutory salary schedule or statutory automatic increase until authorized by the General Assembly. These new subsections also prohibit State employees from receiving automatic step increases, and annual, performance, merit, bonuses, or other increments until authorized by the General Assembly.

(7) Sets the State's budgeted employer contribution rates for retirement and related benefits at the same level as in the prior fiscal year.

(8) Notwithstanding G.S. 143C-4-2 and G.S. 143C-4-3, directing the State Controller not to reserve or transfer funds from the unreserved fund balance to the Savings Reserve Account or the Repairs and Renovations Reserve on June 30.

(9) Appropriates grants up to \$2.5 million (with certain limitations) that have been awarded to the State but not included in the prior year operating budget and authorizes expenditure of those funds.

(S.L. 2016-123, Sec. 2.2, Measurability Assessments/Budget Tech. Corr., amends this section to correct a reference to the unreserved fund balance). (H.B. 1140/S.B. 885, S.B. 847)

Section: 6.4

Title: **SECTION 6.25 OF S.L. 2015-241 IS APPLICABLE TO BOTH FISCAL YEARS**

Summary Amends S.L. 2015-241, Sec. 6.25, 2015 Appropriations Act, to extend until June 30, 2017 the Office of State Budget and Management's (OSBM) authority to align the State budget and eliminate certain positions that have been vacant for more than 12 months as of April 17, 2016. OSBM is required to report by December 1, 2016 to the Fiscal Research Division (FRD) on implementation of this section.

(S.L. 2016-123, Sec. 2.3, Measurability Assessments/Budget Tech. Corr., amends this section to change the vacant position date to April 30, 2016.)

Section: 6.6

Title: **EXEMPT GOLDEN L.E.A.F. FROM CERTAIN GRANT REQUIREMENTS**

Summary Amends G.S. 143C-9-3(a1) to exempt The Golden L.E.A.F. statutory appropriation of \$10 million from the State's grant oversight and reporting requirements set forth in G.S. 143C-6-23.

Section: 39.1

Title: **STATE BUDGET ACT APPLIES**

Summary Reenacts and incorporates by reference the G.S. 143C, State Budget Act, into S.L. 2016-94, 2016 Appropriations Act.

Section: 39.2

Title: **COMMITTEE REPORT**

Summary Sets forth the parameters and legal standing of the Committee Report as follows:

Subsection (a) sets forth how the Committee Report is to be used in conjunction with the S.L. 2016-94, 2016 Appropriations Act (Act), and directs that the Committee Report be used to construe the Act as directed in the G.S. 143C, State Budget Act.

Subsection (b) provides that the appropriations in the Act are for all State funds as defined in the State Budget Act.

Subsection (c) provides that in the event of a conflict between the Committee Report and the Act, the Act prevails.

Subsection (d) clarifies that tables included as part of Committee Report summary pages are for reference only.

Section: 39.3

Title: **REPORT BY FISCAL RESEARCH DIVISION**

Summary Directs FRD to issue a revised Conference Committee Report to include all modifications to the FY 2016-17 budget made prior to sine die adjournment of the 2015 Regular Session. This section also directs FRD to send the report to the Director of the Budget and to publish the document on the General Assembly's website.

Section: 39.4

Title: **MOST TEXT APPLIES ONLY TO THE 2016-2017 FISCAL YEAR**

Summary Provides that provisions of S.L. 2016-94, 2016 Appropriations Act, apply to FY 2016-17 only, unless the law stipulates otherwise.

Section: 39.5

Title: **EFFECT OF HEADINGS**

Summary Provides that the headings throughout S.L. 2016-94, 2016 Appropriations Act, are for reference and convenience purposes only.

Section: 39.6

Title: **APPROPRIATIONS LIMITATIONS AND DIRECTIONS APPLY**

Summary Sets forth relevant State law limitations and directions established in preceding session laws.

Subsection (a) provides that the provisions in S.L. 2015-241, 2015 Appropriations Act; S.L. 2015-263, North Carolina Farm Act of 2015; S.L. 2015-264, GSC Technical Corrections 2015; S.L. 2015-267, DPS Changes; S.L. 2015-268, General Government Technical Corrections-AB; S.L. 2015-276, Highway Safety/Other Changes; S.L. 2015-286, Regulatory Reform Act of 2015; and S.L. 2016-5, Various Changes to Tax Laws, remain in effect unless expressly repealed or amended.

Subsection (b) provides that the limitations and directions for amounts appropriated for FY 2016-17 in the session laws enumerated in subsection (a) apply to appropriations in the 2016 Appropriations Act unless expressly repealed or amended.

Section: 39.7

Title: **SEVERABILITY CLAUSE**

Summary Provides that a judicial ruling declaring a section or provision of S.L. 2016-94, 2016 Appropriations Act, unconstitutional or invalid does not render the whole or any other part of S.L. 2016-94 invalid.

Section: 39.8

Title: **EFFECTIVE DATE**

Summary Sets July 1, 2016 as the effective date of S.L. 2016-94, 2016 Appropriations Act, except as otherwise stipulated within S.L. 2016-94.

2016 Session: HB 805

Department: General Provisions

Section: 2.2

Title: **TECHNICAL CHANGE: BUDGET STABILITY AND CONTINUITY**

Summary Amends S.L. 2016-94, Sec. 6.3, 2016 Appropriations Act, to correct a reference to the unreserved fund balance.

Section: 2.3

Title: **TECHNICAL CHANGE: DATE CHANGE TO SECTION 6.25 OF S.L. 2015-241**

Summary Extends the 12-month vacancy requirement date for position eliminations from April 17, 2016 to April 30, 2016.

Section: 2.4

Title: **TECHNICAL CHANGE: COUNTY SERVICES TO THE EASTERN BAND OF CHEROKEE INDIANS**

Summary Amends G.S. 1E-2 to clarify that a county is not required to provide services, other than those public health and human services traditionally provided, on tribal lands of the Eastern Band of Cherokee Indians unless an agreement is signed by the county manager or delegated department head.

General Provisions

Special Provisions

2016 Session: HB 805

Department: Statewide Reserves

Section: 8.1

Title: BUDGET CHANGE: STATE EMERGENCY RESPONSE AND DISASTER RELIEF FUND

Summary Transfers \$500,000 from the State Emergency Response and Disaster Relief Fund to the Governor's Office to fund the litigation costs associated with S.L. 2016-3, Public Facilities Privacy & Security Act.

Capital Section M

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**General Fund Supported Capital Improvements
Budget Code 19600**

Capital Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$12,175,000
Receipts	\$6,087,500
Net Appropriation	\$6,087,500
 Legislative Changes	
Requirements	\$74,787,000
Receipts	\$54,802,000
Net Appropriation	\$19,985,000
 Revised Budget	
Requirements	\$86,962,000
Receipts	\$60,889,500
Net Appropriation	\$26,072,500

Capital Fund FTE

Enacted Budget	0.00
Legislative Changes	0.00
Revised Budget	0.00

**Summary of Capital Improvement Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

General Fund Supported Capital Improvements		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 19600		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
	Department of Public Safety									
	National Guard Armories	11,175,000	6,087,500	5,087,500	(69,000)	-	(69,000)	11,106,000	6,087,500	5,018,500
	Joint Forces Helipad Planning	-	-	-	69,000	-	69,000	69,000	-	69,000
	Camp Butner Land Buffers	-	-	-	250,000	-	250,000	250,000	-	250,000
	Wilkes County Readiness Center Supplement	-	-	-	300,000	-	300,000	300,000	-	300,000
	University of North Carolina									
	NCSU Engineering Building Planning	1,000,000		1,000,000	-	-	-	1,000,000	-	1,000,000
	Univ. of North Carolina - Asheville Land Purchase	-	-	-	2,000,000	-	2,000,000	2,000,000	-	2,000,000
	Western School of Medicine	-	-	-	8,000,000	-	8,000,000	8,000,000		8,000,000
	Department of Agriculture and Consumer Services									
	DuPont State Recreational Forest	-	-	-	3,000,000	-	3,000,000	3,000,000	-	3,000,000
	Southeastern NC Agriculture Events Center	-	-	-	165,000	-	165,000	165,000	-	165,000
	Department of Environmental Quality									
	Water Resources Development Projects	-	-	-	61,072,000	54,802,000	6,270,000	61,072,000	54,802,000	6,270,000
Total		12,175,000	6,087,500	6,087,500	74,787,000	54,802,000	19,985,000	86,962,000	60,889,500	26,072,500

Capital

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$6,087,500

Legislative Changes

A. Department of Agriculture and Consumer Services

1 DuPont State Recreational Forest

Fund Code: 19600 \$3,000,000 NR

Provides funds for improved bathroom facilities, utility improvements, and parking lot improvements for the DuPont State Recreational Forest. The revised net appropriation for this item is \$3.0 million. (S.L. 2016-94, Sec. 37.1)

2 Horse Stables

Fund Code: 19600 \$165,000 NR

Provides funds to the Department of Agriculture and Consumer Services to build horse stables at the Southeastern North Carolina Agricultural Events Center. The revised net appropriation for horse stables is \$165,000. (S.L. 2016-94, Sec. 37.1)

B. Department of Environmental Quality

3 Water Resources Development Projects

Fund Code: 19600 \$6,270,000 NR

Provides funds for the State's share of Water Resources Development Projects. State Funds will match \$32.1 million in federal funds and \$5.4 million in local funds. The Department will also utilize \$5.5 million in carry-forward funds. The revised net appropriation for Water Resources Development Projects is \$6.3 million. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 37.2(a))

C. Department of Public Safety

4 Armory Facility and Development Projects

Fund Code: 19600 (\$69,000) NR

Reduces funding to the National Guard Armories and Facilities projects by \$69,000. The funding reduction shall be applied equally to the Elizabeth City and Jacksonville Armory Projects. The revised net appropriation for National Guard Armory and Facility Development Projects is \$5.0 million. (S.L. 2016-94, Sec. 37.1)

5 North Carolina National Guard Helipad Planning

Fund Code: 19600 \$69,000 NR

Provides funds to plan helipads at the Joint Forces Headquarters in Raleigh, NC. The total cost of the project, once constructed, is expected to be \$746,000. The revised net appropriations for helipad planning is \$69,000. (S.L. 2016-94, Sec. 37.1)

6 Camp Butner Land Buffer

Fund Code: 19600 \$250,000 NR

Provides funds to purchase land adjacent to Camp Butner in order to provide enhanced buffer zones related to firing ranges. The revised net appropriation for land purchases at Camp Butner is \$250,000. (S.L. 2016-94, Sec. 37.1)

7 Wilkes County Armory Supplement

Fund Code: 19600 \$300,000 NR

Provides funds for the North Wilkesboro Armory project to supplement funds authorized by the Connect NC Bond (S.L. 2015-280) in order to construct a road to the facility. The project will build a new National Guard Readiness Center in Wilkes County. The revised net appropriation, inclusive of indebtedness, is \$6.3 million. (S.L. 2016-94, Sec. 37.1)

D. University of North Carolina

8 University of North Carolina-Asheville Land Purchase

Fund Code: 19600 \$2,000,000 NR

Provides funds to reimburse the University of North Carolina - Asheville (UNC-A) Foundation for land acquisition near the campus. The revised net appropriation for land acquisition reimbursement to the UNC-A Foundation is \$2.0 million. (S.L. 2016-94, Sec. 37.1)

9 Western School of Medicine/UNC School of Medicine

Fund Code: 19600 \$8,000,000 NR

Provides funds to construct a new facility on the Mountain Area Health Education Center's campus in Biltmore Forest. The facility will provide classroom, office, and clinical space related to the expansion of programs for medical residencies, public health education, and medical student training. The facility will be up to 35,000 square feet and include additional parking facilities. The revised net appropriation to the Western School of Medicine facility is \$8.0 million. (S.L. 2016-94, Sec. 37.1)

Total Legislative Changes

\$19,985,000 NR

Total Position Changes

Revised Budget

\$26,072,500

Special Provisions

2016 Session: HB 1030

Department: Capital

Section: 37.1

Title: **CAPITAL APPROPRIATIONS/GENERAL FUND**

Summary Appropriates funds to specific projects.

(Note: Detailed project-by-project information for each State agency/department may be found on pages M 3 and M 4 of the Conference Committee Report.)

Section: 37.2

Title: **WATER RESOURCES DEVELOPMENT PROJECTS**

Summary Identifies the projects, guidelines, and reporting requirements for Water Resources Development Projects appropriated by the General Assembly to the Department of Environmental Quality (DEQ).

Subsection (a) lists the 17 projects and the total appropriation for each project.

Subsection (b) appropriates the \$5.5 million in funds carried forward by DEQ.

Subsection (c) allows DEQ the flexibility to allocate money among projects to manage costs. If the listed projects are delayed, DEQ is allowed to spend funds on US Army Corp of Engineers project feasibility studies and projects that have advanced schedules and require a State match. DEQ may also use funding for State and local water resources development projects.

Subsection (d) requires DEQ to make semiannual reports to the Joint Legislative Commission on Governmental Operations, the Fiscal Research Division, and the Office of State Budget and Management.

Subsection (e) restricts DEQ funding to a maximum of 50% of the nonfederal portions of a project's cost and exempts the Environmental Quality Incentives Program and the John H. Moss Reservoir Dam Repair/Water and Sewer Upgrades from the match requirement.

Subsection (f) makes conforming changes to S.L. 2015-241 to match changes made in S.L. 2016-94.

Subsection (g) creates the eligibility requirements for the funds appropriated to the John H. Moss Reservoir Dam Repair/Water and Sewer Upgrades and allows the municipality to use the funds for any lawful purpose.

Subsection (h) lists the purposes for which DEQ may make grants for the nonfederal share of development projects.

(H.B. 1140/S.B. 885)

Section: 37.3

Title: **NON-GENERAL FUND CAPITAL IMPROVEMENT AUTHORIZATIONS**

Summary Authorizes \$7.5 million in FY 2016-17 for projects across State agencies that are to be funded entirely with non-General Fund dollars.

(H.B. 1140/S.B. 885)

Section: 37.4

Title: **REPAIRS AND RENOVATIONS CHANGES**

Summary Allocates funding from the Repairs and Renovations Reserve. This section alters the formula for the split of the repairs and renovations to be 50% for State agencies and 50% for the University of North Carolina. This section alters the allocation formula the Board of Governors uses when determining the funding for the constituent institutions. The Board of Governors shall include information about the new formula when submitting related reports. This section also specifies certain repairs and renovations projects and the amount of funds those projects shall receive.

Section: 37.5

Title: **ALLOW REPAIRS AND RENOVATIONS FUNDS TO BE USED FOR BUILDING DEMOLITION AND INSTALLATION OF ELECTRICAL, PLUMBING, AND RELATED SYSTEMS**

Summary Changes the allowable uses of repairs and renovations funds to include building demolition and the installation of new electrical, plumbing, heating, ventilating, and air-conditioning systems.

Section: 37.6

Title: **UNC DEBT AFFORDABILITY STUDY MODIFICATIONS**

Summary Changes the reporting dates for the University of North Carolina Debt Affordability Study.

Section: 37.7

Title: **ENHANCE OVERSIGHT OF CERTAIN CAPITAL PROJECTS**

Summary Increases General Assembly oversight of leases and other capital projects.

Subsection (a) bans the Department of Administration (DOA) from entering into leases of real property for terms greater than 30 years without prior authorization from the General Assembly. This subsection does not apply to leases by a university endowment to a university.

Subsection (b) requires that DOA receive prior approval from the General Assembly before entering into a lease if that lease is greater than 30 years or the lease would require the relocation of State employees and the agency does not possess sufficient operating funds to cover the costs of the relocation and the ongoing provision of State functions. This section does not apply to leases for utility easements, leases for student housing projects, and leases made as part of the Voice Interoperability Plan for Emergency Responders (VIPER).

Subsections (c), (e), and (f) make conforming changes to G.S. 143-29, G.S. 146-32, and G.S. 143C-8-4. Subsection (d) was eliminated to avoid errors in internal cross-references.

Subsection (g) requires agencies to include an estimate for the operational and maintenance costs of new projects in the 6-year capital plans.

Subsection (h) requires the Governor's Office to include an estimate for the operational and maintenance costs of new projects proposed in the Recommended State Budget.

Subsection (i) directs the Director of the Budget to send the General Assembly 6-year capital plans that conform with the amended General Statutes.

Subsection (j) amends the reporting requirements of the Office of State Budget and Management to add more detail to the 6-year capital plans.

Subsection (k) is the effective date.

(S.L. 2016-123, Sec. 10.1 Measurability Assessments/Budget Tech. Corr., amends this section to create exemptions for the lease of the Personnel Training Center and associated parking spaces.)

(H.B. 947/S.B. 724)

Section: 37.8

Title: **LIMIT THE ABILITY OF STATE AGENCIES OR STATE ENTITIES TO ENTER INTO DEBT OR DEBT-LIKE ARRANGEMENTS OUTSIDE OF THE PURVIEW OF THE GENERAL ASSEMBLY**

Summary Requires the General Assembly to pass legislation approving a State entity's contract for any debt-like arrangements of greater than \$5 million.

Section: 37.9

Title: **AUTHORIZATION TO SEEK NON-GENERAL FUND DOLLARS FOR UNC PEMBROKE BUSINESS SCHOOL**

Summary Authorizes the University of North Carolina-Pembroke to use up to \$13 million in receipts and other non-General Fund sources to fund the construction of a new business school.

**Receipt Supported Capital Improvements
Budget Code N/A**

Capital Fund Budget

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$5,440,000
Receipts	\$5,440,000
Net Appropriation	\$0
 Legislative Changes	
Requirements	\$2,057,000
Revised Budget	
Requirements	\$7,497,000
Receipts	\$7,497,000
Net Appropriation	\$0

Capital Fund FTE

Enacted Budget	0.00
Legislative Changes	0.00
Revised Budget	0.00

**Summary of Capital Improvement Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Receipt Supported Capital Improvements		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code N/A		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
	Dept. of Natural and Cultural Resources			-			-	-	-	-
	Fort Fisher Aquarium Seawall	590,000	590,000	-			-	590,000	590,000	-
	Wildlife Resources Commission			-			-	-	-	-
	Boating Access New Construction	3,750,000	3,750,000	-			-	3,750,000	3,750,000	-
	Land Acquisition	900,000	900,000	-			-	900,000	900,000	-
	Fishing Access Construction	200,000	200,000	-			-	200,000	200,000	-
	Dept. of Public Safety			-			-	-	-	-
	Nash Correctional Inst. Print Plant Roof			-	1,508,000	1,508,000	-	1,508,000	1,508,000	-
	Harnett Correctional Inst. Visitor Center			-	549,000	549,000	-	549,000	549,000	-
				-			-	-	-	-
Total		\$5,440,000	\$5,440,000	\$0	\$2,057,000	\$2,057,000	\$0	\$7,497,000	\$7,497,000	\$0

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**Information
Technology Services
Section N**

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**Department of Information Technology
Budget Code 14660**

(As amended by S.L. 2016-123,
Measurability Assessments/Budget Tech. Corr.)

General Fund Budget ¹

	<u>FY 2016-17</u>
Enacted Budget	
Requirements	\$0
Receipts	\$0
Net Appropriation	\$0
 Legislative Changes	
Requirements	\$43,297,929
Receipts	\$0
Net Appropriation	\$43,297,929
 Revised Budget	
Requirements	\$43,297,929
Receipts	\$0
Net Appropriation	\$43,297,929

General Fund FTE

Enacted Budget	0.00
Legislative Changes	91.75
Revised Budget	91.75

¹S.L. 2016-94 appropriates funds directly to the Department of Information Technology (DIT). Section 7.3 of S.L. 2016-94 instructs the Office of State Budget and Management to establish a General Fund budget for DIT in budget code 14660. Prior to 2016, the budget for DIT was appropriated in Statewide Reserves.

**Summary of General Fund Appropriations
Fiscal Year 2016-17
2016 Legislative Session**

Department of Information Technology		Enacted Budget			Legislative Changes			Revised Budget		
Budget Code 14660		Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation	Requirements	Receipts	Net Appropriation
Fund Code	Fund Name									
1990	Reserves & Transfers	-	-	-	43,002,697	-	43,002,697	43,002,697	-	43,002,697
Department-wide Items										
	Compensation Reserve	-	-	-	223,593	N/A	223,593	223,593	N/A	223,593
	State Retirement Contributions	-	-	-	71,639	N/A	71,639	71,639	N/A	71,639
Total		\$0	\$0	\$0	\$43,297,929	\$0	\$43,297,929	\$43,297,929	\$0	\$43,297,929

Summary of General Fund Total Requirement FTE
Fiscal Year 2016-17
2016 Legislative Session

(As amended by S.L. 2016-123, Measurability Assessments/Budget Tech. Corr.)

Department of Information Technology					
Budget Code 14660		<u>Enacted</u>	<u>Legislative Changes</u>		<u>Revised</u>
Fund Code	Fund Name	Total Requirements	Net Appropriation	Receipts	Total Requirements
1990	Reserves & Transfers	-	91.75	-	91.75
					-
Total FTE		-	91.75	-	91.75

Information Technology

GENERAL FUND

FY 16-17

Total Budget Enacted 2015 Session

\$0

Legislative Changes

Reserve for Salaries and Benefits

1 Compensation Increase Reserve	\$167,695	R
Fund Code: N/A	\$55,898	NR

Provides a 1.5% annual recurring salary increase and a 0.5% nonrecurring bonus for permanent full-time State employees. Corresponding special provisions provide additional details on these compensation adjustments.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for salaries is \$11.4 billion, an increase of over \$390 million for FY 2016-17. (S.L. 2016-94, Secs. 36.14, 36.15, 36.16, and 36.17)

(A related one-time, merit-based bonus item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-4, item 4.)

2 State Retirement Contributions	\$28,656	R
Fund Code: N/A	\$42,983	NR

Increases the State's contribution for members of the Teachers' and State Employees' Retirement System (TSERS) to fund the actuarially determined contribution and provide a 1.6% one-time cost-of-living supplement to retirees.

For all net appropriation supported State-funded positions, across all sections of the Committee Report, the approximate revised net appropriation for members of TSERS is \$1.6 billion, an increase of \$79.0 million for FY 2016-17. (S.L. 2016-94, Secs. 36.20 and 36.21)

Reserves & Transfers

3 IT Fund Budget Transfer \$21,681,854 R

Fund Code: 1990

Transfers the IT Fund net appropriation from the Statewide Reserves section of the budget to a reserve in budget code 14660, the Department of Information Technology's (DIT) General Fund budget code. A corresponding provision directs the Office of State Budget and Management to properly certify the IT Fund into 14660 by September 30, 2016. This transfer does not change total net appropriations to the IT Fund. The revised net appropriation for the IT Fund is \$21,681,854. (S.L. 2016-94, Secs. 7.1 and 7.3)

95.75

(This item also appears in the Statewide Reserves and Information Technology special fund sections of the Conference Committee Report. See page L-6, item 10 and page N-9.)

4 IT Reserve Budget Transfer \$21,320,843 R

Fund Code: 1990

Transfers the IT Reserve net appropriation from the Statewide Reserves section of the budget to a reserve in the Department of Information Technology's General Fund budget code. A corresponding provision directs the Office of State Budget and Management to properly certify the IT Reserve as a transfer to budget code 24667 in budget code 14660 by September 30, 2016. This transfer does not change total net appropriations to the IT Reserve. The revised net appropriation to the IT Reserve is \$21,320,843. (S.L. 2016-94, Secs. 7.2 and 7.3)

(This item also appears in the Statewide Reserves section of the Conference Committee Report. See page L-6, item 11.)

5 IT Fund: Vacant Positions (\$568,510) R

Fund Code: 1990

Eliminates the following 4 positions within DIT's IT Fund and reduces operating funds in the IT Fund's Strategic Staffing and Projects fund by \$111,260.

-4.00

- 65022415 IT Planning Analyst (1 FTE)
- 65022416 IT Planning Analyst (1 FTE)
- 65020338 IT Business Systems Analyst (1 FTE)
- 65020668 IT Business Systems Analyst (1 FTE)

This reduction eliminates the net appropriation for the salaries and benefits of these positions. The revised net appropriation for the IT Fund following this reduction is \$21,113,344. (S.L. 2016-94, Sec. 7.1)

(S.L. 2016-123, Sec. 3.2, Measurability Assessments/Budget Tech. Corr., amends this item to remove duplicate positions and directs that those reductions be taken to operating expenses.)

6 IT Reserve: Vacant Positions

(\$507,983) R

Fund Code: 1990

Eliminates 3.5 positions within DIT's IT Reserve and reduces operating funds in the IT Reserve's IT Restructuring fund by \$126,783.

- 65022530 Information Technology Manager (0.5 FTE)
- 60087247 Personnel Analyst (1 FTE)
- 65000718 IT Project Manager (1 FTE)
- 60091152 IT Project Manager (1 FTE)

This reduction eliminates the net appropriation for the salaries and benefits of these positions. The position half-funded with Internal Service Fund receipts may be fully shifted to those receipts if funds are available within the Internal Services Fund. These positions are budgeted in the IT Fund/Reserve special fund and the reduction in positions is shown in special fund 24667. The revised net appropriation for the IT Reserve from this reduction is \$20,812,860. (S.L. 2016-94, Sec. 7.2)

(S.L. 2016-123, Sec. 3.2, Measurability Assessments/Budget Tech. Corr., amends this item to remove duplicate positions and directs that those reductions be taken to operating expenses. This item also appears in the Information Technology special fund section of the Conference Committee Report on page N-9.)

7 IT Fund: SAS Memex Data Analysis Tool

\$500,000 R

Fund Code: 1990

Provides funds for State Bureau of Investigation's (SBI) fusion center licenses for the SAS Memex data analysis and case management tool. The Memex case module provides a single way of operating multiple applications and accelerates the movement of appropriate data into SBI's fusion center. Access to Memex will improve State and local law enforcements' ability to detect and predict crime trends, and to solve crimes. An additional \$100,000 in nonrecurring funds required for the implementation of this tool are provided using the cash balance in DIT's IT Fund/ Reserve special fund. The revised net appropriation for the SAS Memex data analysis tool is \$500,000; the revised net appropriation in the IT Fund for the Government Data Analytics Center (GDAC) is \$9,601,255. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 7.1)

8 IT Fund: Security Risk Management Tool

\$150,000 R

Fund Code: 1990

Provides funds to the Network Simplification Program to develop an enterprise security risk management (SRM) tool. The SRM tool will allow DIT to perform reviews of network security devices and ensure compliance with State security policies. An additional \$400,000 in nonrecurring funds required for this purchase and development of this tool are provided using the cash balance in DIT's IT Fund/ Reserve special fund. The revised net appropriation for Enterprise Security Risk Management is \$1,021,497. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 7.1)

- 9 IT Fund: P-20 SchoolWorks System** \$270,000 R
Fund Code: 1990
 Provides \$270,000 to DIT's GDAC to maintain the P-20 SchoolWorks System. This system, along with the Common Follow-up System, is used to track performance measures related to current and former participants in State job training, education, and placement programs, as well as to maintain the statewide student longitudinal database. The revised net appropriation for the P-20 SchoolWorks System is \$270,000. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 7.1)
- 10 IT Fund: Common Follow-up System** \$190,000 R
Fund Code: 1990
 Provides \$190,000 to maintain the Common Follow-up System within the IT Fund's GDAC. This system, along with the P-20 SchoolWorks System, is used to track performance measures related to current and former participants in State job training, education, and placement programs, as well as to maintain the statewide student longitudinal database. The revised net appropriation for the Common Follow-up System is \$190,000. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 7.1)
- 11 IT Fund: Address NC Database** \$180,000 R
Fund Code: 1990
 Provides funds to support the Address NC Database which will improve address data management for State and local governments. A separate item in the IT Fund/ Reserve special fund instructs the Department to use its cash balance to fund the nonrecurring obligations in FY 2016-17. The revised net appropriation for the database is \$700,000. (H.B. 1140/S.B. 885; S.L. 2016-94, Sec. 7.1)
- 12 IT Reserve: e-Forms & Digital Signatures** (\$326,065) R
Fund Code: 1990
 Reduces the net appropriation available for e-Forms & Digital Signatures (Fund 2208) within the IT Reserve. The revised net appropriation for e-Forms & Digital Signatures is \$436,050. (S.L. 2016-94, Sec. 7.2)
- 13 IT Fund: Cybersecurity Apprenticeship Program** \$500,000 NR
Fund Code: 1990
 Establishes a new cybersecurity apprenticeship program for disabled veterans within DIT. The program will train disabled veterans in cybersecurity governance for 2 years. Participants will work toward their Certified Information Systems Security Professional (CISSP) designation during the program. A special provision directs DIT to move the program to the internal service fund in FY 2017-18. The revised net appropriation for the apprenticeship program is \$500,000. (H.B. 1140/S.B. 885; S.L. 2016-94, Secs. 7.1 and 7.7)

14 IT Reserve: IT Restructuring

Fund Code: 1990 (\$500,000) NR

Reduces the net appropriation available for IT Restructuring (Fund 2203) within the IT Reserve by \$500,000 on a nonrecurring basis. The revised net appropriation for IT restructuring following this adjustment is \$2,478,812 in FY 2016-17. (S.L. 2016-94, Sec. 7.2)

15 IT Fund: Enterprise Resource Planning (ERP) System

\$112,558 R

Fund Code: 1990

Provides funds for the Staffing and Strategic Projects fund within DIT to aid in the planning and development of a new ERP system for the State. A separate item in the IT Fund/ Reserve special fund allows the Department to use \$500,000 of its cash balance to fund the planning and development of a new statewide ERP system. With this increase, the revised net appropriation for the Staffing and Strategic Projects fund is \$7,986,461. (H.B. 1140/S.B. 885; S.L. 2016-94, Secs. 7.1 and 7.10)

Total Legislative Changes	\$43,199,048	R
	\$98,881	NR
Total Position Changes	91.75	
Revised Budget	\$43,297,929	

IT/IT Reserve Fund

Budget Code: 24667

	FY 2016-17
Beginning Unreserved Fund Balance	\$32,128,653
Recommended Budget	
Requirements	\$43,002,697
Receipts	\$43,002,697
Positions	118.75

Legislative Changes

Requirements:

IT Fund Budget Transfer

Eliminates the special fund budget for the IT Fund. The IT Fund budget will be itemized in 14660, DIT's General Fund budget code. (S.L. 2016-94, Sec. 7.3.)

(\$21,681,854)	R
\$0	NR
-95.75	

(This item also appears in the Information Technology General Fund section of the Conference Committee Report. See page N-5, item 3).

IT Reserve Budget Adjustment

Adjusts the IT Reserve budget to reflect changes in net appropriations made to the IT Reserve in budget code 14660. The revised net appropriation for the IT Reserve that will be transferred to the 24667 special fund is \$20,166,795. (S.L. 2016-94, Secs. 7.2 and 7.3)

(\$654,048)	R
(\$500,000)	NR
-3.50	

(S.L. 2016-123, Sec. 3.2, Measurability Assessments/Budget Tech. Corr., amends this item to remove duplicate positions and directs that those reductions be taken to operating expenses.)

Rate and Subscription Fee Credit

Uses \$7.3 million of the DIT's cash balance to provide credits to certain State agencies associated with increased charges resulting from telephone and computer rate increases and subscription fee increases in FY 2015-16. A corresponding special provision provides additional information on the credit and affected State agencies. (S.L. 2016-94, Sec. 7.5)

\$0	R
\$7,347,327	NR
0.00	

FY 2016-17

SAS Memex Data Analysis Tool

Provides nonrecurring funds for the SBI's fusion center access to SAS's Memex data analysis and case management tool. (H.B. 1140/S.B. 885)

\$0 R
 \$100,000 NR
 0.00

(A related item appears in the Information Technology General Fund section on page N-6, item 7.)

Security Risk Management Tool

Provides \$400,000 from DIT's cash balance to fund nonrecurring needs associated with the development of an enterprise security risk management tool. (H.B. 1140/S.B. 885)

\$0 R
 \$400,000 NR
 0.00

(A related item appears in the Information Technology General Fund section on page N-6, item 8.)

Enterprise Resource Planning (ERP) System Planning and Design

Authorizes DIT to use \$500,000 of existing cash balance to begin the planning of an ERP system. With these funds, DIT, in coordination with other State agencies, will begin a review of business processes to understand the State's ERP needs. (S.L. 2016-94, Sec. 7.10)

\$0 R
 \$500,000 NR
 0.00

(A related item appears in the Information Technology General Fund section on page N-8, item 15.)

Address NC Database

Uses \$520,000 of DIT's cash balance to fund the nonrecurring obligations of the Address NC Database. (H.B. 1140/S.B. 885)

\$0 R
 \$520,000 NR
 0.00

(A related item appears in the Information Technology General Fund section on page N-7, item 11.)

Subtotal Legislative Changes

(\$22,335,902) R
\$8,367,327 NR
 -99.25

Receipts:

IT Reserve Budget Adjustment

(\$654,048) R

Adjusts the IT Reserve budget to reflect changes in net appropriations made to the IT Reserve in budget code 14660. The revised net appropriation for the IT Reserve that will be transferred to the 24667 special fund is \$20,166,795.

(\$500,000) NR

(S.L. 2016-123, Sec. 3.2, Measurability Assessments/Budget Tech. Corr., amends this item to remove the duplicate positions and directs that those reductions be taken to operating expenses.)

IT Fund Budget Transfer

(\$21,681,854) R

Eliminates the special fund budget for the IT Fund. The IT Fund budget will be itemized in 14660, DIT's General Fund budget code.

\$0 NR

Subtotal Legislative Changes

(\$22,335,902) R

(\$500,000) NR

Revised Total Requirements

\$29,034,122

Revised Total Receipts

\$20,166,795

Change in Fund Balance

(\$8,867,327)

Total Positions

19.50

Ending Unreserved Fund Balance

\$23,261,326

Special Provisions

2016 Session: HB 1030

Department: Information Technology

Section: 7.1

Title: **INFORMATION TECHNOLOGY FUND ALLOCATIONS**

Summary: Amends S.L. 2015-241, Sec. 7.1 to outline the allocation of the appropriations to the IT Fund by program.

Section: 7.2

Title: **INFORMATION TECHNOLOGY RESERVE ALLOCATIONS**

Summary: Amends S.L. 2015-241. Sec. 7.3 to outline the allocation of the appropriations to the IT Reserve by program.

Section: 7.3

Title: **ESTABLISH GENERAL FUND BUDGET**

Summary: Requires the Office of State Budget and Management (OSBM) to establish a General Fund budget for the operating budget of DIT.

Subsection (a) notwithstanding G.S.143C-6-4 to require that the IT Fund fund codes (27xx funds) be budgeted in the General Fund and that a reserve be established in the new General Fund budget for the transfer of IT Reserve fund appropriations. These changes are to be completed by September 30, 2016 and shall be reflected in the 2017-2019 fiscal biennium base budget.

Subsection (b) directs that by the 2019-2021 fiscal biennium this General Fund budget code shall also include all non-rate-based information technology expenditures from participating agencies and exempt agencies that have elected to participate in consolidation. These changes must be included in the 2019-2021 base budget submission and must be made with consideration of the effect of changes on the State's ability to draw down federal and other receipts for information technology purposes.

Subsection (c) states that it is the intent of the NCGA to appropriate funds during the 2017 Regular Session to remove DIT costs from the service rate structure and thereby eliminate the subscription fee charged to agencies.

Section: 7.4

Title: **IT REPORTING CHANGES**

Summary: Makes changes to G.S. 143B-1355(c), G.S. 143B-1360, G.S. 143B-1344, G.S. 143B-1333, S.L. 2015-241 Secs. 7.22(c) and 7.24(b), and G.S. 143B-1330(a)(2) as well as eliminating G.S. 143B-1334 to amend the reporting requirements for the Department by eliminating certain reports and reducing the frequency of others.

Section: 7.5

Title: **USE OF CASH BALANCE FOR IT RATE CREDITS**

Summary: Directs the Department to use part of its cash balance in budget code 24667 to provide rate credits for certain agencies whose charges for information technology services increased due to rate changes implemented in FY 2015-16. This section includes a list of the agencies receiving a credit and the amount of the credit to be provided.

Section: 7.6

Title: **INFORMATION TECHNOLOGY SPENDING TRANSPARENCY**

Summary: Directs all participating agencies to realign their information technology budgets and expenditures within existing programs and divisions in a manner that provides transparency for information technology spending, programs, and division budgets.

Subsection (a) further states that all changes are to be included in the 2017-19 biennial budget.

Subsection (b) requires OSBM to submit a report on the budget changes to the Fiscal Research Division along with the Governor's proposed 2017-19 budget.

Section: 7.7

Title: **APPRENTICESHIPS AND CAREER-BASED OPPORTUNITIES IN CYBERSECURITY FOR DISABLED VETERANS**

Summary: Establishes a cybersecurity apprenticeship program for disabled veterans.

Subsection (a) requires that applicants receive a disability rating of at least 10% from the U.S. Department of Veterans Affairs.

Subsection (b) requires the State Chief Information Officer (SCIO) conduct a competitive selection process for disabled veterans who will work with current employees to train in cybersecurity.

Subsection (c) requires the department to select 5 disabled veterans for FY 2016-17 and requires the department to use receipts generated through rates to fund the program beyond the 2016-17 Fiscal Year.

(S.L. 2016-123, Sec. 3.1, Measurability Assessments/Budget Tech. Corr., amends this section to correct a reference from Veterans Administration to the U.S. Department of Veterans Affairs.)

Section: 7.8

Title: **ADJUST IT BUDGETS AS NECESSARY DUE TO TRANSFER OF FUNCTIONS**

Summary: Allows the Office of State Budget and Management (OSBM) to adjust the information technology budgets between certain departments due to transfer of functions in FY 2015-16.

Subsection (a) notwithstanding G.S. 143C-6-4 to provide OSBM the authority to realign the information technology budgets of the Department of Natural and Cultural Resources and the Department of Environmental Quality.

Subsection (b) notwithstanding G.S. 143C-6-4 to provide OSBM the authority to realign the information technology budgets of the Department of Military and Veterans Affairs and Department of Administration.

Subsection (c) requires that all changes be complete by December 1, 2016 and reflected in the FY 2016-17 base budget.

Subsection (d) requires OSBM to report to the Joint Legislative Oversight Committee on Information Technology, the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources, the Joint Legislative Oversight Committee on General Government, and the Fiscal Research Division before January 15, 2017 on any adjustments made.

Section: 7.9

Title: **DATA CENTER CONSOLIDATION EXEMPTION FOR CLOUD-BASED SOLUTIONS**

Summary: Amends S.L. 2015-241, Sec. 7.9 to exempt cloud-based solutions from the requirement to use State data centers, with prior approval from the State Chief Information Officer.

Section: 7.10

Title: **ENTERPRISE RESOURCE PLANNING DESIGN AND IMPLEMENTATION**

Summary: Requires DIT, the Office of the State Controller (OSC), and OSBM to coordinate on the planning and design development of an ERP. The departments shall prepare a request for proposals no later than July 1, 2017. DIT shall report on its progress to the Joint Legislative Oversight Committee on Information Technology by January 15, 2017.

Section: 7.10A

Title: **COMMUNITY COLLEGES SYSTEM ERP DESIGN AND IMPLEMENTATION**

Summary: Requires the North Carolina Community College System Office (NCCCSO) and DIT to begin planning a modernized ERP. The NCCCSO and DIT shall prepare a request for proposals no later than October 1, 2017 and report to the Joint Legislative Oversight Committee on Information Technology by January 15, 2017.

Section: 7.11

Title: **AGENCY EXEMPTIONS FROM DIT OVERSIGHT**

Summary: Adds OSC, State Bureau of Investigation, State Highway Patrol, and Division of Emergency Management to G.S. 143B-1325 which exempts them from consolidation under DIT.

Section: 7.12

Title: **EXEMPT PUBLIC SAFETY DIVISIONS FROM ENTERPRISE ACTIVE DIRECTORY**

Summary: Amends S.L. 2015-241, Sec. 7.25 to exempt the State Bureau of Investigation, State Highway Patrol, and Division of Emergency Management from using the Enterprise Active Directory.

Section: 7.14

Title: **GOVERNMENTAL DATA ANALYTICS CENTER/LONGITUDINAL DATA SYSTEM BOARD**

Summary: Amends G.S. 116-E-1(1) to assign duties previously performed by the North Carolina Longitudinal Data System Board to the Governmental Data Analytics Center and eliminates the Board.

2016 Session: HB 805

Department: Information Technology

Section: 3.1

Title: **TECHNICAL CHANGE: APPRENTICESHIPS AND CAREER-BASED OPPORTUNITIES IN CYBERSECURITY FOR DISABLED VETERANS**

Summary: Amends S.L. 2016-94, Sec. 7.7, 2016 Appropriations Act, to replace the words Veterans Administration with the words United States Department of Veterans Affairs.

Section: 3.2

Title: **TECHNICAL CHANGE: IT FUND AND IT RESERVE VACANT POSITIONS**

Summary: Amends the Conference Committee Report for S.L. 2016-94 to correct Items #5 and #6 on page N-5 to remove duplicate vacant positions listed in these items and direct that these reductions be made by reducing operating funds.

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Salaries and Benefits

Section O

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Statewide Reserves: Salaries

State Funded Compensation and Salary Increases

The State provides funding for salaries for employees of State agencies, departments, and institutions, universities, and a majority of the personnel employed by local public schools and community colleges. The General Fund payroll base is estimated to be \$11.1 billion for FY 2016-17. Total payroll is expected to exceed \$16.3 billion, including receipts from State agencies, universities, local public schools, and community colleges.

Significant Legislative Budget Actions

S.L. 2016-94 appropriates additional funding to provide salary increases and compensation bonuses for employees paid from State funds as follows:

	FY 2016-17	
	Recurring	Nonrecurring
General Fund*	\$328,859,247	\$137,511,882
Highway Fund	\$5,581,247	\$5,581,247
Total	\$334,440,494	\$143,093,129

*The additional net appropriations from the General Fund shown above total \$466 million. This total includes the net appropriations for salary increases, bonuses, and payroll-associated benefits. The Committee Report references an increase of \$390 million which includes only the salary increases.

These appropriations fund:

1. A 1.5% salary increase for all State and State-funded local employees except teachers and judicial branch employees. Teacher salaries are increased, on average, by 4.7% and judicial branch employee salaries are increased by 4.5%.
2. A 0.5% compensation bonus for all State and State-funded local employees except teachers who are employed on September 1, 2016.
3. A merit-based compensation bonus for State and State-funded local employees except teachers. Eligibility and distribution policies are to be developed by each employing agency.
4. A step increase for employees paid in accordance with an automatic salary increase plan, including educators, school-based administrators, the State Highway Patrol, Assistant and Deputy Clerks of Superior Court, and magistrates.
5. Continuation of the plan to differentiate pay for correctional officers based on the custody level of the facility.
6. Salary increases for State Bureau of Investigation (SBI) and Alcohol Law Enforcement (ALE) agents; these increases will be determined by the Director of the SBI.

The General Assembly continued the practice started in FY 2014-15 of appropriating funds for salary increase and across-the-board compensation bonus directly to State agencies, departments, universities, local public schools, and local community colleges. However, the General Assembly appropriated the merit-based bonuses to the “employing agencies” as defined in S.L. 2016-94, Sec. 36.1A (the Office of State Human Resources (OSHR), the General Assembly, Administrative Office of the Courts, etc.), not to individual departments.

Historical Compensation Information

Three tables at the end of the Salaries section provide historical compensation information, including:

1. The estimated cost of a 1% across-the-board salary increase since FY 2000-01;
2. All legislative salary increases for State employees and teachers since FY 1973-74; and
3. The average salary of State employees subject to the State Human Resources Act since FY 1990-91.

Special Provisions

Session Law 2016-94, House Bill 1030

State Agency, University, and Community College Personnel

Section: 36.1

Title: **GOVERNOR AND COUNCIL OF STATE**

Summary Provides a 1.5% increase over FY 2015-16 salaries for the Governor and members of the Council of State. Subsections (a) and (b) delineate the Governor's salary (\$144,399) and the salaries of the members of the Council of State (\$127,561).

Section: 36.1A

Title: **STATE-FUNDED PERSONNEL/ MERIT-BASED BONUSES AUTHORIZED**

Summary Provides for merit-based bonuses for State-funded personnel.

Subsection (a) authorizes the use of funds appropriated to the Compensation Bonus Reserves to be used to provide employing agencies with funds to award one-time merit-based bonuses. These bonuses are to be awarded in accordance with eligibility policies established by the employing agencies. The eligibility policies must not allow the bonuses to be granted across-the-board. Further, subsection (a) states that these merit-based bonuses are not compensation for retirement purposes.

Subsection (b) establishes the employing agencies and the employees who are subject to each employing agency. The employing agencies are as follows:

1. The State Human Resources Commission for executive branch employees who are exempt from the North Carolina Human Resources Act (EHRA) and who are subject to the North Carolina Human Resources Act (SHRA), except University of North Carolina EHRA employees,
2. The Administrative Office of the Courts and the Commission on Indigent Defense Services, for judicial branch employees,
3. The Legislative Services Commission for the legislative branch employees,
4. The Board of Governors of The University of North Carolina (UNC) for EHRA UNC employees,
5. The State Board of Community Colleges for community college system employees, and
6. Each local board of education (LEA) for school-based administrators, central office, and noncertified personnel. Educators are not eligible.

Subsection (c) requires each LEA to report to the Department of Public Instruction (DPI) on how these funds are distributed by district and school. Other employing agencies along with DPI shall report to the chairs of the appropriations committees and the Fiscal Research Division (FRD) on the use of these funds by February 1, 2017.

Section: 36.2

Title: **CERTAIN EXECUTIVE BRANCH OFFICIALS**

Summary Increases the salaries of the following 7 executive branch officials by 1.5% for FY 2016-17.

Executive Branch Officials	FY 2016-17
Chairman, Alcoholic Beverage Control Commission	\$113,546
State Controller	158,501
Commissioner of Banks	127,561
Chair, Board of Review, Division of Employment Security	125,104

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Members, Board of Review, Division of Employment Security	123,563
Chairman, Parole Commission	125,104
Members of the Parole Commission	115,595
Chairman, Utilities Commission	141,947
Members of the Utilities Commission	127,561
Executive Director, North Carolina Agricultural Finance Authority	110,549

Section: 36.3

Title: **JUDICIAL BRANCH SALARIES**

Summary Increases the annual salaries of Judicial Branch employees by 4.5% for FY 2016-17. Subsection (a1) sets the annual salary of judges, clerks of Superior Court, certain administrative officers, district attorneys, and public defenders as shown below.

Judicial Personnel	FY 2016-17
Chief Justice, Supreme Court	\$150,086
Associate Justice, Supreme Court	146,191
Chief Judge, Court of Appeals	143,878
Judge, Court of Appeals	140,144
Judge, Senior Regular Resident Superior Court	136,364
Judge, Superior Court	132,584
Chief Judge, District Court	120,490
Judge, District Court	116,710
District Attorney	127,215
Assistant Administrative Officer of the Courts	123,469
Public Defender	127,215
Director of Indigent Defense Services	131,145

Subsection (b) increases the salaries of Judicial Branch employees not otherwise itemized in this section by 4.5%.

Subsection (c) directs District Attorneys and Public Defenders, with the approval of the Administrative Officer of the Courts or the Commission on Indigent Defense, to set the salaries of assistant district attorneys or assistant public defenders within their judicial districts. The average salaries may not exceed \$76,073 and the minimum salary may not fall below \$40,366, reflecting a 4.5% salary increase.

Section: 36.4

Title: **CLERK OF SUPERIOR COURT**

Summary Sets the salaries for the clerks of Superior Court for FY 2016-17, reflecting a 4.5% increase.

Clerks of Superior Court	FY 2016-17
<u>Population</u>	<u>Salary</u>
Less than 100,000	\$88,188
100,000 to 149,999	98,834
150,000 to 249,999	109,480
250,000 and above	120,131

Section: 36.5

Title: **ASSISTANT AND DEPUTY CLERKS OF COURT**

Summary Sets the salary ranges for assistant and deputy clerks of Superior Court for FY 2016-17, reflecting a 1.5% increase to the minimum salaries and a 4.5% increase to the maximum salaries.

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Assistant Clerks and Head Bookkeeper	FY 2016-17
Minimum	\$33,098
Maximum	58,963
 Deputy Clerks	
Minimum	28,646
Maximum	46,092

Subsection (b) increases the salaries of step-eligible assistant and deputy clerks by 1.5% in addition to the salary increase associated with the step. Assistant and deputy clerks who are not eligible for a step receive a 4.5% increase.

Section: 36.6
 Title: **MAGISTRATES**
 Summary: Establishes salary ranges for magistrates for FY 2016-17. Prior to FY 2016-17, G.S. 7A-171.1 defined the salary on each step of the magistrate salary plan. The new salary ranges reflect a 1.5% increase for the minimum salaries and a 4.5% increase for the maximum salary.

Subsection (b) requires that when moving onto a new step, employees shall be paid at the minimum rate.

Magistrates	Minimum	Maximum
Entry Rate	\$36,862	
Step 1	38,519	39,658
Step 2	41,448	42,673
Step 3	44,548	45,865
Step 4	48,263	49,690
Step 5	52,739	54,298
Step 6	57,754	59,461
 Magistrates serving on June 30, 1994	 Minimum	 Maximum
Less than 1 year of service		\$29,099
1 or more but less than 3 years of service	29,288	30,333
3 or more but less than 5 years of service	31,773	32,818

Section: 36.7
 Title: **LEGISLATIVE BRANCH SALARIES**
 Summary: Permits salary increases for legislative branch employees.

Subsection (b) increases the salaries of non-elected employees of the General Assembly by 1.5%. Subsection (c) directs that all legislative branch employees receive the 0.5% compensation bonus.

Note: S.L. 2015-241, Section 30.4(a) is unchanged by this section; the General Assembly did not authorize a salary increase for legislators. The last salary increase for legislators was authorized in 1994 to be effective with the convening of the 1995 Regular Session of the General Assembly.

Section: 36.8
 Title: **GENERAL ASSEMBLY PRINCIPAL CLERKS**
 Summary: Increases the salaries for the principal clerks to \$107,928, a 1.5% increase.

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Section: 36.9
Title: **SERGEANT-AT-ARMS AND READING CLERKS**
Summary: Increases the salaries for sergeant-at-arms and reading clerks to \$410 per week, a 1.5% increase.

Section: 36.10
Title: **COMMUNITY COLLEGES PERSONNEL**
Summary: Authorizes salary increases and bonuses for community college employees.

Subsection (b) increases the minimum salaries for nine-month, full-time curriculum faculty by 1.5% as follows:

Education Level	Minimum Salary
Vocational Diploma/Certificate or Less	\$35,844
Associate Degree or Equivalent	36,356
Bachelor's Degree	38,579
Masters Degree or Education Specialist	40,551
Doctoral Degree	43,394

Subsection (c) authorizes the community college boards of trustees to provide salary increases pursuant to policies adopted by the State Board of Community Colleges. The budget appropriates the equivalent of a 1.5% salary increase for community colleges.

Subsection (d) authorizes community college boards to utilize the funds appropriated for salary increases and all compensation bonuses for any of the following purposes: merit pay, across-the-board increases, recruitment bonuses, retention increases, and other increases pursuant to policies adopted by the State Board of Community Colleges. The State Board of Community Colleges must report on the use of these funds to the General Assembly no later than March 1, 2017.

Section: 36.11
Title: **UNIVERSITY OF NORTH CAROLINA SYSTEM**
Summary: Increases the annual salaries of University of North Carolina employees by 1.5%.

Section: 36.12
Title: **STATE AGENCY TEACHERS**
Summary: Requires that employees of schools operated by the Departments of Health and Human Services, Public Instruction, Public Safety and the North Carolina School of Science and Mathematics who are paid on the teacher salary schedule receive the experience step increase authorized in S.L. 2016-94, Sec. 9.1.

Section: 36.13
Title: **SBI/ALE INCREASES**
Summary: Directs the Director of the SBI to report to the Joint Legislative Oversight Committee on Justice and Public Safety and FRD on the planned use of the \$500,000 appropriated to adjust salaries of ALE and SBI agents.

Section: 36.14
Title: **ALL STATE-SUPPORTED PERSONNEL**
Summary: Provides administrative details on salary increases for State-supported personnel. Subsection (a1) directs, that unless otherwise specifically provided in S.L. 2016-94, the following:

1. The annual salaries of all employees subject to or exempt from the North Carolina Human Resources Act are increased by 1.5%;
2. Employing agencies may award one-time merit-based bonuses pursuant to policies adopted by the employing agency, and

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3. Eligible State-supported personnel shall receive a 0.5% across-the-board compensation bonus.

Subsection (b) requires that any increases or bonuses shall be funded from and in the same proportion as the source of funds currently funding the position. The Director of the Budget is authorized to increase the expenditure of receipts as necessary to provide increases authorized in S.L. 2016-94.

Subsection (c) prohibits increases to employees whose last day of service was prior to July 1, 2016.

Subsection (d) authorizes employees paid on a statutory pay plan (assistant and deputy clerks of Superior Court, magistrates, and State Highway Patrol troopers) to receive the increases and bonuses authorized by this section.

Subsections (e) prohibits increases for services provided prior to July 1, 2016.

Subsection (f) prohibits the transfer of funds between the General Fund and Highway Fund for salary increases.

Section: 36.15

Title: **MOST STATE EMPLOYEES**

Summary Increases, except as otherwise provided in Part 9 and Part 36 of S.L. 2016-94, the annual salaries in effect on June 30, 2016 by 1.5% and states that eligible employees also receive a 0.5% across-the-board bonus. The increase and bonus may be provided to the following employees as long as they meet all other eligibility requirements:

1. Permanent full-time State officials and employees,
2. Permanent part-time State employees, and
3. Temporary and permanent hourly State employees.

Subsection (c) authorizes employing agencies to award merit-based bonuses to eligible:

1. Permanent full-time employees in SHRA and EHRA positions;
2. Permanent part-time State employees; and
3. Temporary and permanent hourly State employees

Section: 36.16

Title: **COMPENSATION BONUS/ACROSS-THE-BOARD/AWARDED FOR FISCAL YEAR 2016-17**

Summary Provides a 0.5% one-time lump-sum bonus to any person whose salary is set in Part 36 of S.L. 2016-94 or otherwise authorized by this act and who is employed in a State-funded position on September 1, 2016. Subsection (a) requires the bonus to be paid in October 2016.

Subsection (a1) prohibits teachers paid on the salary schedule in Section 9.1 of S.L. 2016-94 from receiving this bonus.

Subsection (b) notwithstanding G.S. 135-1(7a) to direct that the one-time bonus is not considered compensation for retirement purposes (Article 1 of Chapter 135).

Subsection (c) directs that the bonus is not part of annual salary and shall be paid out separately to eligible permanent employees without regard to the employee's placement within the salary range, including employees at the top of the salary range.

Subsection (d) sets the conditions under which persons receiving disability benefits may receive the bonus. This subsection also prohibits payment of the bonus by the Disability Income Plan.

Subsection (e) requires that the bonus be paid on a pro-rated basis for part-time employees.

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Section: 36.17

Title: **USE OF FUNDS APPROPRIATED FOR LEGISLATIVELY MANDATED SALARY INCREASES/ COMPENSATION BONUSES/ EMPLOYEE BENEFITS**

Summary Sets the parameters for the use of funds appropriated for salary increases, compensation bonuses, and employee benefits.

Subsection (a) requires OSBM to ensure that funds appropriated for legislatively mandated salary increases, the compensation bonus, and employee benefits are used only for the intended purposes and that any recurring funds remaining in these reserves be used for salary increases necessary to meet the minimum salaries of new salary grades resulting from the implementation of OSHR's new compensation system.

Subsection (b) allows the Director of the Budget to reallocate funds between departments as needed to meet required salary increases, bonus obligations, and benefit increases.

Subsection (c) requires OSBM to report to the Joint Legislative Commission on Governmental Operations by March 1, 2017 on the use and reallocation of these funds and the amount of funds expected to be distributed to OSHR.

Section: 36.18

Title: **MITIGATE BONUS LEAVE**

Summary Allows State agencies, departments, institutions, the University of North Carolina, and the community college system to create programs that allow employees to cash in special bonus leave benefits accrued pursuant to Section 28.3A of Chapter 126 of the 2002 Session Laws, Section 30.12B(a) of Chapter 284 of the 2003 Session Laws, Section 29.14A of S.L. 2005-276, and Section 35.10A of S.L. 2014-100. These programs are authorized for FY 2016-17 only.

This section requires the program to be voluntary and to pay bonus leave payouts based on the employee's current annual salary rate. Agencies have flexibility to establish the other parameters for this program. Agencies must collect information and report on the use of the program to FRD. An interim report is due by March 1, 2017; a final report is due September 1, 2017.

Section: 36.19

Title: **EXTEND VOLUNTARY SHARED LEAVE TO COMMUNITY COLLEGE EMPLOYEES**

Summary Authorizes the voluntary shared leave benefits available to State employees to community college employees.

Section: 36.19A

Title: **DELAY STATEWIDE COMPENSATION SYSTEM PROJECT IMPLEMENTATION**

Summary Delays the implementation of OSHR's new compensation system, which establishes new salary grades for positions subject to the North Carolina Human Resources Act compensation and classification policies, from June 2016 to February 2017.

Subsection (b) authorizes the Director of the Budget to increase the expenditure of receipts as necessary to provide increases required by this project.

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Public School Employees

This section provides a summary of the salary increases for public school employees. A summary of each provision is also available in the Education section of the Annotated Conference Committee Report.

Section: 9.1

Title: **TEACHER SALARY SCHEDULE**

Summary Sets the monthly minimum salary schedule (salary schedule) for the 2016-17 school year for certified personnel in North Carolina public schools.

Subsection (a) sets the salary schedule for the 2016-17 school year for licensed public school personnel who are classified as teachers and hold a Bachelor's degree.

Subsection (b) sets the salary supplements for licensed teachers who have additional education or certification, including holding a National Board of Professional Teaching Standards (NBPTS) certification, a master's degree (and are classified as "M" teachers), a license based on academic preparation at the six-year degree level, or a license based on academic preparation at the doctoral degree level. Additionally, certified school nurses receive a salary supplement of 10%. (A salary schedule showing the Bachelor's, NBPTS, Master's, and NBPTS Master's schedules is provided at the end of this summary.)

Subsection (c) establishes that the first step of the salary schedule for school psychologists, speech pathologists, and school audiologists shall be equivalent to Step 5 of the "A" salary schedule, and that these employees shall receive a 10% salary supplement.

Subsection (d) sets the 26th step of the salary schedule for school psychologists, speech pathologists, and school audiologists to be 7.5% higher than the salary on the 25th step.

Subsection (e) clarifies that, in lieu of receiving annual longevity payments, the amounts of those longevity payments are built into the salary schedule.

Subsection (f) requires that teachers not otherwise receiving a salary increase from the applicable amount on the new salary schedule are to be held harmless at the amount received in FY 2014-15, including any State-provided bonuses, if applicable.

Subsection (g) clarifies that instructional support personnel are to be included within the term "teacher."

Subsection (h) repeals Section 9.1 of S.L. 2015-241, the FY 2015-16 teacher salary schedule.

Subsection (i) establishes the General Assembly's intent to implement an adjusted "A" salary for FY 2018-19.

A summary of this section is also available in the Education section of the Annotated Conference Committee Report.

FY 2016-17 Monthly Teacher Salary Schedule¹

NBPTS Bonus = 12% greater than the "A" Schedule

Master's Bonus = 10% greater than the "A" Schedule

Years of Experience	"A" Teachers	NBPTS "A" Certification	"M" Teachers ²	NBPTS "M" Certification
Step 0	\$3,500	3,920	3,850	4,270
Step 1	\$3,575	4,004	3,933	4,362
Step 2	\$3,600	4,032	3,960	4,392
Step 3	\$3,625	4,060	3,988	4,423
Step 4	\$3,675	4,116	4,043	4,484
Step 5	\$3,725	4,172	4,098	4,545
Step 6	\$3,800	4,256	4,180	4,636
Step 7	\$3,850	4,312	4,235	4,697
Step 8	\$3,900	4,368	4,290	4,758
Step 9	\$3,950	4,424	4,345	4,819
Step 10	\$4,025	4,508	4,428	4,911
Step 11	\$4,100	4,592	4,510	5,002
Step 12	\$4,175	4,676	4,593	5,094
Step 13	\$4,250	4,760	4,675	5,185
Step 14	\$4,325	4,844	4,758	5,277
Tier: Steps 15-19	\$4,525	5,068	4,978	5,521
Tier: Steps 20-24	\$4,800	5,376	5,280	5,856
Tier: Steps 25+ ³	\$5,100	5,712	5,610	6,222

¹ Most Teachers are paid for 10 months per year 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 (NBPTS) certification receive a NBPTS bonus, reflected in the NBPTS columns above.

² Sec. 8.3(a) prohibits teachers that had not received a master's supplement in North Carolina prior to July 1, 2014 from receiving it going forward unless a master's degree is required for licensure or they have completed at least one course towards a master's degree prior to July 1, 2013.

³ Section 9.1(f) ensures that no educator is paid less in FY 2016-17 than in FY 2013-14.

Section: 9.2

Title: **SCHOOL-BASED ADMINISTRATOR SALARY SCHEDULE**

Summary Establishes the minimum monthly salary schedules and compensation policies for school-based administrators (SBAs), i.e. assistant principals and principals. Subsection (a) sets the minimum monthly salary schedule for the 2016-17 school year for SBAs.

Subsections (b) and (c) define the appropriate classification and experience-based step placement on the salary schedule for SBAs, except for principals at alternative and cooperative innovative high schools. Classification is based on the number of State-funded teachers and assistant principals supervised by the SBA. The beginning classification for principals at alternative and cooperative innovative high schools shall be the Principal III level, except for principals at these schools who supervise 33 or more teachers and assistant principals; these principals shall be classified in the same manner as principals at traditional public schools. Placement on the experience-based step schedule is based on total number of years of

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experience as a certified employee of the public schools with an additional step for every three years of experience as a principal on or before June 30, 2009. SBAs earning salary increases in FY 1997-98 through FY 1999-2000 for improvement in student performance or maintaining a safe and orderly school continue to receive those bonuses.

Subsections (d) and (e) maintain the monthly salary supplements and longevity payments for SBAs. SBAs with a six-year degree receive a monthly supplement of \$126 and those with a doctoral degree receive \$253 monthly. Longevity continues at the rates provided to State employees under the North Carolina Human Resources Act.

Subsection (f) guarantees that a principal reassigned to a higher or lower classification due to being transferred to a school with a different number of State-allotted teachers shall be placed on the salary schedule as if the principal's entire career had been served at the job classification of the new school.

Subsection (g) requires that participants in an approved full-time master's in-school administration program receive up to a 10-month stipend, which shall not exceed the difference between the beginning salary of an assistant principal plus program costs (tuition, fees, and books) and any fellowship funds received.

Subsection (h) requires administrators with a one-year provisional assistant principal's certificate to be placed at the entry-level salary for an assistant principal or the appropriate step on the teacher salary schedule, whichever is higher.

Subsection (i) repeals Sec. 9.2 of S.L. 2015-241 which set SBA salaries for FY 2015-16.

A summary of this section is also available in the Education section of the Annotated Conference Committee Report. The following table provides the FY 2016-17 monthly salary schedules for principals and assistant principals.

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FY 2016-17 Monthly Principal and Assistant Principal Base Salary Schedule^{1,2}

Yrs of Exp.	Assistant Principal	I (0-10)	II (11-21)	III (22-32)	IV (33-43)	V (44-54)	VI (55-65)	VII (66-100)	VIII (101+)
0-9	3,968								
10	4,037								
11	4,185								
12	4,304								
13	4,388	4,388							
14	4,443	4,443							
15	4,501	4,501	4,556						
16	4,556	4,556	4,615						
17	4,615	4,615	4,675	4,735					
18	4,675	4,675	4,735	4,797	4,860				
19	4,735	4,735	4,797	4,860	4,924	4,992			
20	4,797	4,797	4,860	4,924	4,992	5,058			
21	4,860	4,860	4,924	4,992	5,058	5,126	5,196		
22	4,924	4,924	4,992	5,058	5,126	5,196	5,266	5,415	
23	4,992	4,992	5,058	5,126	5,196	5,266	5,342	5,490	5,565
24	5,058	5,058	5,126	5,196	5,266	5,342	5,415	5,565	5,644
25	5,126	5,126	5,196	5,266	5,342	5,415	5,490	5,644	5,726
26	5,196	5,196	5,266	5,342	5,415	5,490	5,565	5,726	5,808
27	5,266	5,266	5,342	5,415	5,490	5,565	5,644	5,808	5,881
28	5,342	5,342	5,415	5,490	5,565	5,644	5,726	5,881	5,998
29	5,415	5,415	5,490	5,565	5,644	5,726	5,808	5,998	6,117
30	5,490	5,490	5,565	5,644	5,726	5,808	5,881	6,117	6,240
31	5,565	5,565	5,644	5,726	5,808	5,881	5,998	6,240	6,365
32	5,644	5,644	5,726	5,808	5,881	5,998	6,117	6,365	6,492
33	5,726	5,726	5,808	5,881	5,998	6,117	6,240	6,492	6,622
34	5,808	5,808	5,881	5,998	6,117	6,240	6,365	6,622	6,754
35	5,881	5,881	5,998	6,117	6,240	6,365	6,492	6,754	6,889
36	5,998	5,998	6,117	6,240	6,365	6,492	6,622	6,889	7,027
37		6,117	6,240	6,365	6,492	6,622	6,754	7,027	7,167
38			6,365	6,492	6,622	6,754	6,889	7,167	7,310
39			6,492	6,622	6,754	6,889	7,027	7,310	7,456
40				6,754	6,889	7,027	7,167	7,456	7,605
41				6,889	7,027	7,167	7,310	7,605	7,758
42					7,167	7,310	7,456	7,758	7,913
43						7,456	7,605	7,913	8,071
44							7,758	8,071	8,233
45							7,913	8,233	8,397
46+								8,397	8,565

¹ Principal classification, i.e. Principal I, II, III, etc., is based upon the number of State-paid teachers and assistant principals supervised.

² G.S. 115C-285(a)(8) requires that a teacher who becomes an assistant principal or principal be paid, on a monthly basis, at least as much as he or she would earn as a teacher.

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Section: 9.3

Title: **NO PAY LOSS FOR BREAK IN SERVICE OR FOR TEACHERS WHO BECOME PRINCIPALS**

Summary Modifies G.S. 115C-285(a) to ensure all teachers who become assistant principals or principals receive no loss in pay as a result of the change in position.

Subsection (a) modifies G.S. 115C-285(a) to require that a teacher who becomes an assistant principal or principal, regardless of any break in service, be paid, on a monthly basis, at least as much as he or she would earn as a teacher.

Subsection (b) clarifies that salary increases due to this section do not apply to work performed prior to July 1, 2016.

A summary of this section is also available in the Education section of the Annotated Conference Committee Report.

Section: 9.4

Title: **JOINT LEGISLATIVE STUDY COMMITTEE ON SCHOOL-BASED ADMINISTRATOR PAY**

Summary Creates a study committee to study and make recommendations on school-based administrator pay.

Subsection (a) establishes the study committee, consisting of 3 members of the House of Representatives and 3 members of the Senate.

Subsection (b) outlines the focus of the study.

Subsection (c) sets the Committee's procedural requirements and operations.

Subsection (d) directs the Legislative Services Officer and the Directors of Legislative Assistants in both the House of Representatives and the Senate to assign staff to support the Committee.

Subsection (e) requires the Committee to submit a final report on or before December 31, 2016 and terminates the Committee on December 31, 2016 or upon submission of its report, whichever occurs first.

A summary of this section is also available in the Education section of the Annotated Conference Committee Report.

Section: 9.5

Title: **CENTRAL OFFICE SALARIES**

Summary Sets the monthly salary ranges for superintendents, assistant superintendents, associate superintendents, director/coordinators, supervisors, finance officers, and other permanent full-time personnel paid from the central office allotment for FY 2016-17. Salary ranges are 1.5% higher than in FY 2015-16.

The following monthly salary ranges apply to public school assistant superintendents, associate superintendents, directors/coordinators, supervisors, and finance officers for the 2016-17 fiscal year, beginning July 1, 2016:

	2016-17	
	<u>Minimum</u>	<u>Maximum</u>
School Administrator I	\$3,442	\$6,418
School Administrator II	\$3,646	\$6,805
School Administrator III	\$3,868	\$7,217
School Administrator IV	\$4,021	\$7,502

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School Administrator V	\$4,182	\$7,804
School Administrator VI	\$4,434	\$8,273
School Administrator VII	\$4,610	\$8,605

The following monthly salary ranges apply to public school superintendents for the 2016-17 fiscal year, beginning July 1, 2016:

	2016-17	
	<u>Minimum</u>	<u>Maximum</u>
Superintendent I (Up to 2,500 ADM*)	\$4,891	\$9,126
Superintendent II (2,501-5,000 ADM)	\$5,190	\$9,675
Superintendent III (5,001-10,000 ADM)	\$5,503	\$10,261
Superintendent IV (10,001-25,000 ADM)	\$5,838	\$10,882
Superintendent V (Over 25,000 ADM)	\$6,194	\$11,543

* *Average Daily Membership*

Subsection (e) prohibits the transfer of State funds from other funding categories for salaries for public school central office administrators.

A summary of this section is also available in the Education section of the Annotated Conference Committee Report.

Section: 9.6

Title: **NONCERTIFIED PERSONNEL SALARIES**

Summary Increases the salaries of noncertified public school employees by 1.5% for FY 2016-17.

A summary of this section is also available in the Education section of the Annotated Conference Committee Report.

Section: 9.7

Title: **THIRD GRADE READING TEACHER PERFORMANCE PILOT PROGRAM**

Summary Creates a 2-year pilot program to provide bonuses to third grade reaching teachers.

Subsection (a) directs that \$5 million of the funds appropriated for the pilot be used to provide bonuses for the top 25% of third grade reading teachers in the State according to prior year Education Value-Added Assessment System (EVAAS) student growth index scores and that \$5 million be used for bonuses for the top 25% of third grade reading teachers in their respective school districts (LEA). LEA funds are to be split amongst school districts based on ADM. Charter and regional school teachers are not eligible to receive the LEA-based bonus but are eligible for the Statewide bonus.

This subsection further authorizes that teachers are eligible for both bonuses, but to be eligible for the bonus, the teacher must remain as a third grade teacher in the same LEA from the school year that data is collected until the year in which the bonus is paid. The bonuses are to be paid in January 2017 (based in 2015-16 school year EVAAS scores) and January 2018 (based in 2016-17 school year EVAAS scores).

Subsection (b) establishes that these bonuses are not considered compensation for retirement purposes.

Subsection (c) requires the State Board of Education (SBE) to report on the distribution of funds in FY 2016-17 to the President Pro Tempore of the Senate, the Speaker of the House of

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Representatives, FRD by March 1, 2017 and March 1, 2018. The SBE is required to report on the effectiveness of the pilot program in the March 1, 2018 report.

Subsection (d) requires the Director of the Budget to include nonrecurring funding required to support the program in the base budget for FY 2017-18. .

Subsection (e) sunsets this program on June 30, 2018.

A summary of this section is also available in the Education section of the Annotated Conference Committee Report.

Across-the-Board Salary Cost for Each 1% Increase
 (\$ Millions)

Year^a	General Fund	Highway Fund
2000-01	\$86.45	\$4.33
2001-02	89.73	4.32
2002-03 ^b	91.05	4.19
2003-04 ^c	91.35	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 ^d	130.65	5.54
2010-11 ^d	129.73	5.4
2011-12 ^d	131.29	5.32
2012-13	133.32	3.89
2013-14 ^d	135.72	3.8
2014-15 ^e	131.43	4.03
2015-16 ^f	134.43	3.87
2016-17 ^g	136.24	3.72

- a Additional historical data available upon request.
- b 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.
- c 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 0.5% average salary increase for Community College faculty and professional staff.
- d No across-the-board salary increases were funded by the General Assembly for employees or teachers in FY 2009-10, FY 2010-11, FY 2011-12, or FY 2013-14.
- e No across-the-board percentage-based salary increases were funded by the General Assembly for employees or teachers in FY 2014-15; the General Assembly provided a flat \$1,000 salary increase for most State employees but the salary increase varied by employee group.
- f No across-the-board percentage-based salary increases were funded by the General Assembly for employees or teachers in FY 2015-16; the General Assembly provided a flat \$750 bonus for permanent State employees and State-funded local employees. Step increases and certain other salary increases were given but the salary increase varied by employee group.
- g Includes 99 full-time equivalents (FTE) Department of Information Technology positions. These FTE are being transferred from a special fund to the General Fund and are supported by net appropriations.

Legislative Salary 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 top 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
1994-95	4% + 1% one-time bonus payment	5% - 1-3 years 7% - 4-29 years
1995-96	2%	2%
1996-97	2.5% COLA + 2% career growth	5.5%
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% - 6.92% (2.9% average)

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Year	State Employees	Teachers
2002-03	-0-	0% - 5.85% (1.8% average)
2003-04	-0-	1.42% - 5.86% (1.8% average)
2004-05	Greater of a \$1,000 or 2.5% across-the-board increase	1.41% - 5.9% (2.5% average)
2005-06	Greater of a \$850 or 2% across-the-board increase	1.77% - 6.27% (2.2% average)
2006-07	5.5% across-the-board increase	6.45% - 14.05% (8.2% average)
2007-08	4% across-the-board increase	4.05% - 9.53% (5% average)
2008-09	Greater of \$1,100 or 2.74% across-the-board increase	2.39% - 6.63% (3% average)
2009-10	-0-	-0-
2010-11	-0-	-0-
2011-12	-0-	-0-
2012-13 ^d	1.2% across-the-board increase	1.2% across-the-board increase
2013-14	-0-	-0-
2014-15 ^e	\$1,000 for State employees \$500 for central office and noncertified public school employees	0.5% - 18.5% (7% average)
2015-16 ^f	-0- + \$750 compensation bonus	0 - 9.6% + \$750 compensation bonus (3.8% average)
2016-17 ^g	1.5% increase + 0.5% compensation bonus 1% merit funds	0% - 13.1% (4.7% average)

- 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.
- d The UNC Board of Governors was given flexibility in the use of compensation increase funds for EHRA employees. The State Board of Community Colleges was given flexibility in the use of compensation increase funds for local community college employees.
- e State agency and local community college employees received a \$1,000 salary increase. UNC SHRA employees also received a \$1,000 increase. The UNC Board of Governors was given \$5 million to provide increases to UNC EHRA employees. Noncertified and central office local public school employees received a \$500 salary increase.
- f Starting pay for educators was increased from \$3,300 per month to \$3,500 per month, a 6.1% raise for educators on steps 0-4. The step increase for educators changing tiers of the schedule provides an increase ranging from 6.5% to 9.6%. The 3.8% average includes the \$750 bonus; without the bonus, the average increase is 2.2%.
- g The 0.5% compensation bonus is provided across-the-board to all State employees and State-funded local employees except teachers. The merit bonus will be distributed based on policies developed by each employing agency.

Average Salary of Employees Subject to the Human Resources Act

Year	Average Salary ^a
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
2011-12	41,512
2012-13	42,258
2013-14	42,753
2014-15	43,785
2015-16	44,260

a The average salary is determined using permanent SHRA employees at a particular point in time. When new programs are added or positions change status, the average salary changes. **Therefore, changes in average salaries are not measures of salary increases or decreases.**

Statewide Reserves: Retirement

State Retirement Systems

The State of North Carolina operates several retirement systems for public employees. The Teachers' and State Employees' Retirement System (TSERS) 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, 2014, the most recent valuation date, TSERS had approximately 307,000 contributing members and paid retirement benefits of \$4.1 billion annually to 195,000 beneficiaries. As of December 31, 2014, the market value of assets totaled \$64.6 billion while the actuarially-recognized assets totaled approximately \$64.7 billion. Recognized assets exceed the market value of assets due to unrecognized investment gains and losses being phased in one-fifth each year to smooth market fluctuations. TSERS was considered 96% funded (i.e., 0.96 in assets for each 1.00 of liabilities) based upon the recognized assets as of December 31, 2014.

The following table reflects the Employer Contribution Rates to TSERS since FY 2002-03.

Fiscal Year	Employer Rate
2002-2003	0.00%
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%
2012-2013	8.33%
2013-2014	8.69%
2014-2015	9.15%
2015-2016	9.15%
2016-2017	9.98%

For FY 2016-17, the General Assembly appropriated funds directly 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 retirement systems. The amounts shown in the Committee Report as "State Retirement Contributions" combine all additional contributions to TSERS, the Disability Income Plan (DIP), the Death Benefit, and the Retiree Health Benefit Fund because agency budget and accounting staff commonly view these in total as the retirement contribution. Section 36.17 grants the Office of State Budget and Management authority to reallocate the appropriated reserves if they exceed or fall short of the amount needed by a particular agency.

Significant Legislative Budget Actions

During the 2016 session, the General Assembly enacted the following recurring changes in General Fund and Highway Fund appropriations to the various retirement systems or pension funds:

	FY 2016-17
General Fund for TSERS	\$78,987,026
Highway Fund for TSERS	2,420,643
General Fund for Firefighters' and Rescue Squad Workers' Pension Fund	3,702,208
General Fund for Consolidated Judicial Retirement System	1,575,000

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General Fund for Optional Retirement Program	(340,923)
General Fund for Legislative Retirement System	594,404
General Fund for National Guard Pension Fund	1,450,774
TOTAL	\$88,389,132

**Significant Special Provisions
Session Law 2016-94, House Bill 1030**

Section: 22.1

Title: **LINE OF DUTY DEATH BENEFITS TO INCLUDE CANCER AS OCCUPATIONAL DISEASE**

Summary: Modifies the definition of “killed in the line of duty” in G.S. 143-166.2(c) to include when a firefighter dies as a direct and proximate result of mesothelioma, testicular cancer, and intestinal cancer, making their dependents eligible for a \$50,000 death benefit.

Section: 36.20

Title: **SALARY-RELATED CONTRIBUTIONS**

Summary: Sets the contribution rates for the retirement systems for FY 2016-17.

Subsection (a) sets the contribution rate to TSERS at 16.12% of payroll. The contribution rate is made up of the following: 9.98% of payroll for retirement, 0.38% of payroll for the Disability Income Plan (DIP), 0.16% of payroll for the Death Benefit, and 5.60% of payroll for retiree health benefits.

Subsection (b) authorizes the Director of the Budget to increase the rate for retiree health benefits to 5.81% effective July 1 or 6.02% effective January 1 and increase the total rates accordingly, if the Director reallocates the Reserve for Future Benefits Needs, as authorized in Section 36.24(b) of S.L. 2016-94 and discussed in the State Health Plan section below. In August, the Director of the Budget announced his intention to reallocate the Reserve, so the rates in subsection (a) will be increased.

Section: 36.21

Title: **PROVIDE ONE-TIME COST-OF-LIVING SUPPLEMENT FOR RETIREES OF THE TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM, THE CONSOLIDATED JUDICIAL RETIREMENT SYSTEM, AND THE LEGISLATIVE RETIREMENT SYSTEM**

Summary: Provides a one-time cost-of-living supplement of 1.6% of the annual benefit to retirees of TSERS, the Consolidated Judicial Retirement System (CJRS), and the Legislative Retirement System (LRS). The supplement is different from cost-of-living adjustments (COLAs) provided in some prior years because only one additional payment will be made and the ongoing monthly benefit will not be increased. The supplement shall be paid on or before October 31. This is the first time that the General Assembly has granted a one-time supplement to retirees.

Section: 36.23

Title: **QUALIFIED EXCESS BENEFIT ARRANGEMENT**

Summary: Expands eligibility for participation in the Qualified Excess Benefit Arrangements (QEBA) for both TSERS and the Local Governmental Employees' Retirement System (LGERS). The QEBA pay benefits under the TSERS and LGERS formulas that are in excess of limits in Section 415 of the federal Internal Revenue Code. The following table shows treatment of three groups of employees under prior law and under this provision:

Group	Prior Law	New Law
Retire prior to August 1, 2016	Eligible for QEBA, last employer does not reimburse QEBA	No change

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Hired prior to 2015, retire on or after August 1, 2016	Not eligible for QEBA	Eligible for QEBA, last employer reimburses QEBA
Hired after 2014	Not eligible for QEBA	No change

Additional Legislation

S.L. 2016-55 (H.B. 1137)

Title: **TREASURER'S 2016 INVESTMENT ADMIN. CHANGES - AB**

Summary Amends various statutes governing the Department of the State Treasurer to update office hours and scope of authority for investment programs, codify key departmental policies, and consolidate statutory reporting requirements. These changes do not grant the Treasurer additional asset allocation flexibility or change the limits on allocations to different asset classes.

S. L. 2016-56 (H.B. 1011)

Title: **RETIREMENT TECHNICAL CORRECTIONS ACT OF 2016**

Summary Amends several statutes governing TSERS, LGERS, and the Firefighters' and Rescue Squad Workers' Pension Fund (FRSWPF) as follows:

Section 1 clarifies the wording of the service purchase provision for FRSWPF for those not yet 35 years of age, consistent with current administrative practice.

Section 2 repeals G.S. 128-25, which affected how local governments paid for past service when they first joined LGERS. Due to statute changes in 2015, past service can no longer be granted so this statute is no longer needed.

Section 3 conforms a service purchase statute in LGERS to federal law related to the treatment of active duty military service and clarifies that the employer's required payment includes the employer and employee portions of the service purchase.

Section 4 provides that if a member dies after having filed an application for retirement, but before selecting payment options and selecting a beneficiary, the administrator or executor of the member's estate may select an option and name the beneficiary or beneficiaries. This change clarifies how to handle a situation not explicitly named in the current statute and is consistent with similar statutes.

Section 5 clarifies long-time interpretation and practice that choosing the "transfer benefit" is an irrevocable option, just like selecting any other benefit payment option.

Section 6 corrects a typo in a change made to educational leave for TSERS in S.L. 2015-241 and makes a conforming change for LGERS, in order to simplify communication and administration of the two systems.

Section 7 clarifies that funds collected under the anti-pension spiking contribution-based benefit cap will be included in the Pension Accumulation Fund, which is consistent with other required employer payments. Additionally, this section clarifies that in order to receive a one-time exception to payment of the penalty for late payment of retirement contributions an agency must make arrangements in advance with the Retirement System.

Section 8 corrects the spelling of the name of the FRSWPF in the State Health Plan statute.

Section 9 makes technical changes to statutes governing the Achieving a Better Life Experience (ABLE) Program Trust.

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S. L. 2016-82 (H.B. 960)

Title: **RETIREMENT CREDITABLE SERVICE CHARTER SCHOOLS**

Summary Amends statutes related to purchase of service at a charter school and the assumptions used in preparing actuarial notes on bills, as follows:

Section 1 amends G.S. 135-4(cc) to modify the provisions for a member of TSERS to purchase credit for service in a charter school. Previously, a member could purchase credit for employment in a charter school only upon completion of five years of service in TSERS after charter school employment. The law removes the requirement that the five years of service in TSERS be completed after the charter school employment and limits the amount of service to be purchased to five years.

Section 2 repeals G.S. 135-8(b)(5)d. which allows a member to receive credit for service in a charter school by making monthly contributions during a leave of absence equal to the employee and employer contribution rates.

Section 3 requires the Fiscal Research Division to obtain an estimate of the cost impact measured using 30-year US Treasury Bond yields for any future bill affecting service purchases.

S.L. 2016-108 (S.B. 886)

Title: **RETIREMENT AMENDMENTS**

Summary Amends several statutes governing TSERS, LGERS, FRSWPF, Disability Income Plan (DIP), and the North Carolina Public School Teachers' and Professional Educators' Investment Plan (NC 403(b)), as follows:

Section 1 extends the monthly benefit in the FRSWPF to the named beneficiary of a member killed in the line-of-duty (as defined in G.S. 143-166.2(c) for the \$50,000 death benefit). The benefit is payable until the beneficiary's death. Between June 1, 2016 and June 30, 2018, the benefit will be paid to the spouse of a member killed in the line-of-duty. This section also allows all members to name a beneficiary for the return of contributions, which goes to the spouse, children, or estate, in that order, under current law.

Section 2 separates statutes governing what is public within membership records held by the Retirement Systems Division from statutes governing what is public record within employment files held by employing agencies.

Section 3 clarifies that certain documents can be transmitted by means other than physical mail.

Section 4 affects Department of State Treasurer operations unrelated to retirement.

Section 5 directs the LGERS Board of Trustees to develop a contribution stabilization policy for the FRSWPF. The TSERS and LGERS Boards recently adopted such policies for TSERS and LGERS.

Section 6 replaces a higher education appointee as a member of the TSERS Board of Trustees with the Director of the Office of State Human Resources. This section also establishes the State Treasurer as the chairperson of the Boards and gives the Treasurer authority to appoint the director of the Retirement System. Further, this section requires the annual valuation reports for TSERS and LGERS to include a supplement showing the unfunded liability using the 30-year Treasury Bond yield as the discount rate.

Section 7 clarifies governance statutes for the NC 403(b) Plan.

Section 8 grants the Retirement Systems Division additional flexibility in requiring reports of earnings from DIP recipients.

Statewide Reserves: State Health Plan

State Health Plan for Teachers and State Employees

The State Health Plan for Teachers and State Employees (SHP) administers health benefit coverage for active employees of State agencies and departments, universities, local public schools, and local community colleges. Eligible retired employees may also access health benefit coverage under the SHP. Dependents of active and retired employees are authorized to participate in the SHP provided they meet certain requirements.

Employees and retired employees of selected local governments may also participate in the SHP under certain conditions. Members of fire departments, rescue squads, and the National Guard may obtain coverage under the SHP provided they meet certain eligibility criteria.

The State finances the SHP on a self-funded basis and administers benefit coverage under a Preferred Provider Option (PPO) arrangement, with the exception of most Medicare-eligible retirees who participate in fully-insured Medicare Advantage plans. As of June 2016, the SHP had 702,788 members. Premiums for health benefit coverage are paid by (1) employing agencies for active employees, (2) the Retiree Health Benefit Fund for retired employees, (3) employees and retirees for their dependents, and (4) employees and retirees for a portion of their own coverage if they enroll in contributory plans. Total requirements for the SHP were projected to be \$3.1 billion for FY 2016-17.

Significant Legislative Budget Actions

The 2016 Appropriations Act maintains FY 2015-16 net appropriations for State Health Plan employer premiums and sets the parameters for using additional funds appropriated during the 2015 Session in the Reserve for Future Benefit Needs.

Special Provisions

Session Law 2016-94, House Bill 1030

Section: 36.20

Title: **SALARY-RELATED CONTRIBUTIONS**

Summary: Subsection (b) resets the maximum annual employer contributions for health benefit coverage for eligible employees and retired employees if the Director of the Budget reallocates the Reserve for Future Benefits Needs as authorized in Section 36.24. These maximum contributions represent an increase of 3.4% relative to FY 2015-16.

Section: 36.24

Title: **STATE HEALTH PLAN COST-CONTROLLING MEASURES AND REALLOCATION OF RESERVE FOR FUTURE BENEFIT NEEDS**

Summary: Directs the Director of the Budget to reallocate the Reserve for Future Benefits Needs under certain circumstances. In lieu of a direct increase in net appropriations, this section authorizes the Director of the Budget to reallocate roughly \$70 million in the Reserve for Future Benefits Needs to increase employer contributions to the SHP if the Director determines that cost-controlling measures adopted by the SHP Board of Trustees (Board) and the State Treasurer are sufficient to reduce employer premium increases in the 2017-2019 fiscal biennium to 4% or less. This section also reduces the required cash reserve applicable to the 2015-2017 biennium from 20% to 12% of annual expenses. The SHP is projected to maintain this lower amount of reserve.

Additional Legislation

S.L. 2016-104 (S.B. 865)

Title: **STATE HEALTH PLAN/ADMIN CHANGES/LOCAL GOVTS**

Summary Amends statutes governing the SHP as follows:

Sections 1-3 require claims processing contractors to provide additional claims data elements to the SHP, including the identification of providers and the allowed amounts paid. These sections also place limits on the SHP's use of this data.

Section 4 requires local governments that participate in the SHP to charge employees the amounts in the structure set by the SHP for their own coverage. The local governments are still permitted to charge employees less than the amount set by the SHP for dependent coverage.

Section 5 amends G.S. 135-47 to increase the enrollment limitation on the number of employees and dependents of local governments from 10,000 to 16,000 and establishes a transition schedule for adding new local governments to the SHP.

Section 6 provides a window for local governments to withdraw from participating effective January 1, 2017. This window would allow a local government to avoid the restrictions of Section 4 by withdrawing from the SHP.

Section 7 specifies that the Plan is responsible for federal filing requirements under sections 6055 and 6056 of the Internal Revenue Code for retirees and direct bill members, but employing units are responsible for those filings for all other individuals. The Plan shall provide employing units with access to the necessary data and may facilitate a reporting solution, but the employing unit is responsible for paying all costs of that solution. For 2015, the Plan provided and paid for a solution for all employing units. The filing requirements relate to the "individual mandate" and "employer mandate" under the federal Affordable Care Act.

Section 8 clarifies that the SHP is not a "Health benefit plan" under Article 58 of the General Statutes.

S.L. 2016-106 (S.B. 815)

Title: **CHARTER SCHOOL IN STATE HEALTH PLAN**

Summary Permits the Board of Directors of Longleaf School of the Arts, a public charter school, to decide if the school will become a participating employer under the SHP.

Other Changes Affecting the SHP

Article 3B of Chapter 135 of the General Statutes gives broad authority to the State Treasurer and the Board to set premiums and benefit provisions. For 2017, the State Treasurer and Board have changed some out-of-pocket amounts, achieved additional savings from new Pharmacy Benefit Manager and Medicare Advantage contracts, and may increase employee premiums at the August 2016 Board meeting.

The following page shows the 2016 employee/retiree premium rate structure.

**State Health Plan
Calendar Year 2016 Employee/Retiree Monthly Premium Structure**

Active Employees and Non-Medicare Retirees

Wellness Plans

	Employer Share	Employee/Retiree Share	
		Complete All Wellness Activities *	Complete No Wellness Activities
Enhanced 80/20 Plan	\$463.68	14.20	104.20
Consumer-Directed Health Plan	463.68	0.00	80.00

Alternate Plan

	Employer Share	Employee/Retiree Share
Traditional 70/30 Plan	\$463.68	0.00

* Members receive credits for each activity. All or none are shown for simplicity.

Medicare Retirees

Medicare Advantage Plans

	Employer Share	Employee/Retiree Share
MA-PDP Base Plan	\$360.24	0.00
MA-PDP Enhanced Plan	360.24	66.00

Alternate Plan

	Employer Share	Employee/Retiree Share
Traditional 70/30 Plan	\$360.24	0.00

Dependents

	All Dependents are Non-Medicare			One or More Medicare Dependents		
	Enhanced 80/20	CDHP	Traditional 70/30	MA-PDP Base	MA-PDP Enhanced	Traditional 70/30
Employee/Retiree + Children	280.52	189.82	210.92	132.00	198.00	150.06
Employee/Retiree + Spouse	646.32	489.14	543.46	132.00	198.00	394.56
Employee/Retiree + Family	685.22	520.96	578.86	264.00	396.00	429.92

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Finance Section P

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Special Provisions

2016 Session: HB 1030

Section: 38.1

Title: **INCREASE ZERO TAX BRACKET**

Summary Amends G.S. 105-153.5(a)(1) to increase the personal income tax standard deduction by \$2,000 (married, filing jointly) over 2 years, beginning in tax year 2016. The standard deduction is increased from \$15,500 to \$16,500 for tax year 2016 and to \$17,500 for tax year 2017 and subsequent years. (S.B. 818)

Section: 38.2

Title: **EXPAND TAXATION OF MILL MACHINERY**

Summary Amends G.S. 105-187.51B to expand the list of items eligible for the preferential tax treatment under the mill machinery tax, which is a 1% tax capped at \$80 per item, by adding the following items:

- Attachments, accessories and repair parts for a company located at a ports facility for waterborne commerce. Unloading and processing equipment has received the 1%/\$80 treatment since 2013.
- Secondary metals recyclers and precious metals recyclers.
- Metal fabricators that have gross receipts from fabrication of metal work in excess of \$8 million. (S.B. 832, H.B. 81)

Section: 38.4

Title: **MARKET-BASED SOURCING**

Summary Amends G.S. 105-130.4(l) to outline a proposed market based calculation of the sales factor used to apportion income of multi-state businesses to North Carolina.

Subsection (a) requires the Department of Revenue to adopt and submit rules to the Rules Review Commission on or before January 20, 2017, regarding the implementation and administration of market-based sourcing.

Subsection (b) directs that the rules adopted by the Department of Revenue will not become effective unless the General Assembly enacts the proposed market-based sourcing.

Subsection (c) defines proposed market-based sourcing apportionment concepts. (Market-based sourcing imposes corporate income and franchise tax on multi-state corporations based on the percentage of their products and services consumed in North Carolina. Under current law, if a company provides services as their product, the tax is imposed based on the share of their employment and investment in North Carolina.)

Subsection (d) requires that if the General Assembly enacts the proposed market-based sourcing, the Utilities Commission must adjust certain public utility rates as outlined in the subsection.

Section: 38.5

Title: **SALES TAX CHANGES**

Summary Makes numerous clarifications and modifications to the State's sales tax on certain services, which was adopted in S.L. 2015-241, Sec. 32.18.

Subsection (a) provides a grace period for the period March 1, 2016 – December 31, 2016 for retailers who undercollect sales or use tax under certain circumstances and who demonstrate having made a good-faith effort to correctly collect the sales and use taxes.

Subsection (b) allows the Secretary of Revenue to compromise tax liability for the period beginning January 1, 2017, and ending December 31, 2022, for assessments related to uncollected sales tax and/or unpaid use tax regarding the expansion of the sales tax base to include specified services.

Subsections (d) – (k) alter the sales tax on services as follows:

- The subsections define or re-define sales and use tax terms and concepts, including the definition of a retailer.
- The subsections revise tax policy to treat similar transactions the same, regardless of who provides the service.
- The subsections exempt the following from sales tax: (1) self-service car washes; (2) alteration and repair of clothing; (3) pest control services; (4) cleaning of real property; (5) moving services; (6) removal of waste from tangible personal property, except that removal of waste from portable toilets is taxable; (7) repairs and maintenance to real property by real property contractors within 12 months of new structure being occupied for the first time; (8) landscaping; (9) services performed for a related member; (10) home inspections; (11) government-imposed inspection fees; and (12) services performed to roads, driveways, sidewalks, and parking lots.
- The subsections treat other transactions as real property contracts and taxes them accordingly, such that contractors will pay sales tax on materials purchased to fulfill the contract, for the following: (1) installation of underground utilities; (2) painting or wallpapering; and (3) the installation or replacement of roofing, septic tanks, plumbing, electrical, commercial refrigeration, irrigation, sprinklers, and HVAC units or systems.

Subsection (l) requires the Department of Revenue to issue by November 15, 2016, written guidelines on how the sales tax changes made in this section will be implemented.

Subsection (m) authorizes the use of direct pay permits to facilitate a use tax exemption for repairs on boats, airplanes, or jet engines for the amount of the repair that exceeds \$25,000.

Subsection (n) amends G.S. 105-467(b) to make a conforming change.

Subsection (o) repeals G.S. 105-524.(e), which would have required the Secretary of Revenue to transfer \$17.6 million of State sales and use tax revenue to local governments each year.

Subsection (p) provides a sales tax exemption for products that are made of more than 75% recycled materials by weight, if the products are sold for use in an accepted wastewater dispersal system.

Section: 38.6

Title: **PROPERTY TAX EXCLUSION EXTENSION**

Summary Amends Section 2 of S.L. 2011-123, to extend for 4 years the property tax exclusion available to properties that meet the criteria in G.S. 105-275(7a).

Special Provisions

2016 Session: HB 805

Section: 11.1

Title: **TECHNICAL CHANGE: GRAMMATICAL CORRECTIONS**

Summary Amends S.L. 2016-94, Sec. 38.2(f), 2016 Appropriations Act, by making grammatical changes.

Section: 11.2

Title: **TECHNICAL CHANGE: GRAMMATICAL CORRECTIONS**

Summary Amends S.L. 2016-94, Sec. 38.5(g), 2016 Appropriations Act, by making grammatical changes.

Section: 11.3

Title: **TECHNICAL CHANGE: GRAMMATICAL CORRECTIONS**

Summary Amends S.L. 2016-94, Sec. 38.2(b) and Sec. 38.5(g), 2016 Appropriations Act, by making grammatical and stylistic changes. This section also sets effective dates for the changes.

Section: 11.4

Title: **TECHNICAL CHANGE: GRAMMATICAL CORRECTIONS**

Summary Amends S.L. 2016-94, Sec. 38.5(g), 2016 Appropriations Act, by making grammatical changes and sets effective date to January 1, 2017.

Section: 11.5

Title: **TECHNICAL CHANGE: STATUTORY REFERENCE CORRECTION**

Summary Amends S.L. 2016-94, Sec. 38.5(g), 2016 Appropriations Act, by correcting a statutory reference.

Other Finance Legislation

2016 Session: SB 803

Section: 5

Title: **UI TAX CHANGES**

Summary Amends G.S. 96-9.2(c) by changing the date used to determine which unemployment insurance tax schedule applies for the following tax year. Under current law, one of three tax schedules is used depending on the Unemployment Insurance (UI) Trust Fund's balance as a percentage of North Carolina taxable wages. The percentage is calculated annually based on the Fund's balance as of August 1. Section 5 of this Act changes that date to September 1 to allow time for second quarter tax payments to be collected before the percentage is calculated. As a result, the UI Trust Fund is expected to have a sufficient balance on September 1, 2016 to trigger a change to a lower tax schedule; this change is expected to result in approximately \$200 million less in UI tax revenue for the 2017 tax year.

Appendices

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State of North Carolina
Full-time Equivalent Position Counts by GAAP Fund Type
(December 2015)

	General Fund (1)		Highway Fund		Enterprise Fund	Institutional Fund	Internal Service Fund	Special Fund (5)	Trust Fund	Total by Sector
	Appropriated	Receipt	Appropriated	Receipt (2)						
Government Sector										
State Government										
UNC System ⁽³⁾	32,948.27	2,115.01	-	-	-	18,667.41	-	-	8,463.47	62,194.16
Justice and Public Safety	31,303.11	807.28	-	-	67.00	-	391.00	604.85	-	33,173.24
Health & Human Services	6,064.13	10,695.64	-	9.67	-	-	2.00	753.24	27.00	17,551.68
General Government	3,287.27	1,043.80	-	75.19	-	-	636.39	347.28	6.27	5,396.20
Natural & Economic Resources	4,017.01	2,008.69	-	118.90	719.20	-	-	2,892.79	205.77	9,962.36
Education (State Administration)	991.22	477.18	-	-	-	-	-	-	10.05	1,478.45
Transportation	-	-	6,698.50	5,891.50	-	-	-	-	-	12,590.00
Sub-total	78,611.01	17,147.60	6,698.50	6,095.26	786.20	18,667.41	1,029.39	4,598.16	8,712.56	142,346.08
Local Education										
Public Schools ⁽³⁾⁽⁴⁾	152,793.59	-	-	-	-	-	-	-	-	152,793.59
Community Colleges ⁽³⁾	17,936.01	-	-	-	-	-	-	-	-	17,936.01
Sub-total	170,729.60	-	-	-	-	-	-	-	-	170,729.60
Total by GAAP Fund Type	249,340.61	17,147.60	6,698.50	6,095.26	786.20	18,667.41	1,029.39	4,598.16	8,712.56	313,075.68

Notes:

- 1) Salary Base includes 200.8 positions and \$7.7 million in salaries budgeted in Reserve budget codes.
- 2) Includes receipt supported positions (850 positions, \$44.1 million total salary) and work order positions (5,242 positions, \$231.9 million total salary) in Highway Fund Budget Codes.
- 3) Includes FTE growth due to projected enrollment growth for the 2015-16 fiscal year.
- 4) The total number contains some non-FTE counts that may slightly overstate the overall total position count.
- 5) The FTE count represented in this table may not match department-level FTE tables included earlier in this document. Department-level FTE tables are based on the FY 2015-17 Certified Budget while this table is based on a survey of budgeted positions completed in December 2015. FTE counts may vary due to a variety of factors including different reporting dates and failure to eliminate un-budgeted vacant positions.

Source: Survey of State Agencies and Other State-funded Institutions, Fiscal Research Division, NC General Assembly, Office of State Budget and Management, February 2016

State of North Carolina
Budgeted Salaries by GAAP Fund Type
(December 2015)

Government Sector	General Appropriated ^{(a)(c)}	Receipt	Highway Appropriated	Receipt ^(b)	Enterprise Receipt	Institutional Receipt	Internal Service Receipt	Special Receipt	Trust Receipt	Total by Sector
State Government										
UNC System	\$2,281,598,333	\$139,933,710	\$0	\$0	\$0	\$1,261,218,230	\$0	\$0	\$419,714,295	\$4,102,464,567
Justice and Public Safety	\$1,347,741,538	\$40,468,428	\$0	\$0	\$3,332,864	\$0	\$15,598,111	\$28,113,316	\$0	\$1,435,254,257
Health & Human Services	\$300,828,710	\$450,939,024	\$0	\$419,296	\$0	\$0	\$100,114	\$38,708,097	\$1,204,428	\$792,199,669
General Government	\$175,541,833	\$55,533,349	\$0	\$3,704,768	\$0	\$0	\$41,321,945	\$25,515,496	\$251,845	\$301,869,236
Natural & Economic Resources	\$177,624,240	\$94,880,039	\$0	\$5,909,067	\$41,939,752	\$0	\$0	\$129,199,790	\$10,094,476	\$459,647,364
Education (State Administration)	\$56,960,939	\$33,423,819	\$0	\$0	\$0	\$0	\$0	\$0	\$495,189	\$90,879,947
Transportation	\$0	\$0	\$302,580,425	\$266,241,048	\$0	\$0	\$0	\$0	\$0	\$568,821,473
Sub-total -- State Government	\$4,340,295,593	\$815,178,369	\$302,580,425	\$276,274,178	\$45,272,616	\$1,261,218,230	\$57,020,170	\$221,536,699	\$431,760,233	\$7,751,136,513
Local Education										
Public Schools	\$5,810,644,488	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,810,644,488
Community Colleges	\$923,648,182	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$923,648,182
Sub-total -- State-funded Local Education	\$6,734,292,670	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,734,292,670
Total by GAAP Fund Type	\$11,074,588,264	\$815,178,369	\$302,580,425	\$276,274,178	\$45,272,616	\$1,261,218,230	\$57,020,170	\$221,536,699	\$431,760,233	\$14,485,429,183

Notes:

- a) General Fund salary base includes budgeted salaries and longevity pay for appropriated positions.
- b) Includes receipt supported positions (850 positions, \$44.1 million total salary) and work order positions (5,242 positions, \$231.9 million total salary) in Highway Fund Budget Codes.
- c) Salary Base includes 200.8 positions and \$7.7 million in salaries budgeted in Reserve budget codes.

Total General Fund Authorizations as Adjusted to Determine Total Current Operations

Fiscal Year	Total Authorizations ¹	% Change vs. Prior Year	Less: Adjustments to Total Authorizations					Total Current Operations	% Change vs. Prior Year
			Capital Improvements		Savings Reserve		Total Adjustments		
			Direct Appropriations	Earmarking of Unreserved Fund Balance	Direct Appropriations	Other			
1990-91	7,973,824,802	9.73%	106,400,195	0	141,000,000	0	247,400,195	7,726,424,607	8.57%
1991-92	7,825,732,308	-1.86%	0	0	400,000	0	400,000	7,825,332,308 A	1.28%
1992-93	8,209,537,916	4.90%	95,205,570	0	0	0	95,205,570	8,114,332,346 B	3.69%
1993-94	9,317,906,610	13.50%	135,371,704	57,000,000	0	0	192,371,704	9,125,534,906	12.46%
1994-95	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%
1995-96	10,031,584,878	-2.31%	113,522,500	125,000,000	0	0	238,522,500	9,793,062,378	-1.60%
1996-97	10,654,778,229 C	6.21%	157,267,000	0 D	0	47,100,000 E	204,367,000	10,450,411,229	6.71%
1997-98	11,635,189,516 F	9.20%	152,991,120	174,260,955	0	49,354,893 G	376,606,968	11,258,582,548	7.73%
1998-99	13,111,623,293	12.69%	192,199,500	145,000,000	0	447,397,819 H	784,597,319	12,327,025,974	9.49%
1999-2000	14,237,669,453	8.59%	77,059,168	90,000,000 I	0	629,000,000 J	796,059,168	13,441,610,285	9.04%
2000-01	14,383,516,932	1.02%	114,974,172 K	0	120,000,000	270,000,000 L	504,974,172	13,878,542,760 M	3.25%
2001-02	14,863,745,843	3.34%	157,936,000	0	0	0 N	157,936,000	14,705,809,843 M	5.96%
2002-03	14,351,822,876	-3.44%	31,158,000	0	0	0	31,158,000	14,320,664,876	-2.62%
2003-04	14,914,222,783 O	3.92%	27,601,000	15,000,000	0	0	42,601,000	14,871,621,783	3.85%
2004-05	16,024,170,294	7.44%	45,192,000	76,797,361	0	4,500,000 P	126,489,361	15,897,680,933	6.90%
2005-06	17,341,821,310 Q	8.22%	54,960,000	125,000,000	0	0	179,960,000	17,161,861,310	7.95%
2006-07	19,102,281,272	10.15%	206,343,300	222,229,189	0	0	428,572,489	18,673,708,783	8.81%
2007-08	20,817,042,249 R	8.98%	230,741,100	145,000,000	0	0	375,741,100	20,441,301,149	9.47%
2008-09	21,437,970,761	2.98%	129,082,062	69,839,238	0	0	198,921,300	21,239,049,461	3.90%
2009-10	19,039,174,596 S,T	-11.19%	4,875,000	0	0	0	4,875,000	19,034,299,596	-10.38%
2010-11	18,985,738,843 U	-0.28%	11,173,440	0	0	0	11,173,440	18,974,565,403	-0.31%
2011-12	19,849,782,946 V	4.55%	4,535,000	124,500,000	0	0	129,035,000	19,720,747,946	3.93%
2012-13	20,532,971,761 W	3.44%	6,373,330	23,170,924	0	0	29,544,254	20,503,427,507	3.97%
2013-14	20,789,767,065 X	1.25%	27,939,000	150,000,000	0	0	177,939,000	20,611,828,065	0.53%
2014-15	21,082,110,145 Y	1.41%	13,560,000	0	0	0	13,560,000	21,068,550,145	2.22%
2015-16	21,884,714,405	3.81%	16,756,000	150,000,000	0	0	166,756,000	21,717,958,405	3.08%
2016-17	22,422,837,590	2.46%	26,072,500	81,400,000	0	0	107,472,500	22,315,365,090	2.75%

¹Includes Local Government Hold Harmless Revenue; additional information is available from the Department of Revenue at <http://www.dor.state.nc.us/publications>.

Notes

- A Amount shown is net after transfer of \$6.6 million to Environment, Health, and Natural Resources operating budget.
- B Amount shown is net after transfer of \$4.4 million to Environment, Health, and Natural Resources operating budget.
- C Adjusted to reflect supplemental appropriation for Community Colleges for FY 1996-97 as appropriated by the 1997 Session.
- D Repairs and Renovations of \$130 million were funded directly from earmarked reserve as were \$39,519,567 of additional items by transferring funds appropriated from the General Fund for FY 1995-96 to a capital improvement reserve.
- E \$47.1 million for the Clean Water Management Trust Fund and Wetlands Restoration Fund earmarked from year-end fund balance.

Total General Fund Authorizations as Adjusted to Determine Total Current Operations

- F Adjusted to reflect Year 2000 Conversion appropriation made for FY 1997-98 by the 1998 Session.
- G \$49.4 million for the Clean Water Management Trust Fund earmarked from year-end fund balance.
- H Includes \$400 million for Bailey/Emory/Patton Reserve (S.L. 1998-212, Sec. 6) and \$47.4 million for Clean Water Management Trust Fund earmarked from year-end fund balance.
- I 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.
- J 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.
- K Includes \$100 million direct appropriation to Repairs and Renovations, due to insufficient year-end fund balance for earmarking.
- L 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.
- M 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.
- N 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.
- O 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.
- P Statutorily established the "JDIG Reserve" to make annual appropriations to the Job Development Investment Grant 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.
- Q Includes an additional \$15 million in emergency funds appropriated mid-year for the Department of Corrections as per S.L. 2006-2 (H.B. 1868).
- R Total Authorizations include additional funding passed in S.L. 2007-532, Establish Health Insurance Risk Pool, S.L. 2007-540, Voter-Owned Elections Pilot, and Extra Session: S.L. 2007-552, Job Maintenance and Capital Development Fund.
- S S.L. 2007-323, Sec. 31.16.3.(c), changed the calculation of the Hold Harmless Distribution effective January 1, 2008.
- T Total Authorizations include additional funding passed in S.L. 2009-475, Budget Technical Corrections.
- U Total Authorizations include additional funding passed in S.L. 2010-123, Budget Technical Corrections.
- V Includes a supplemental appropriation of \$20 million from overcollections as authorized in S.L. 2012-2. While the General Assembly authorized an increase in Total Requirements of up to \$299.5 million to prevent a shortfall in the FY 2011-12 Medicaid budget, only the \$20 million in additional overcollections required an adjustment to Total Authorizations; the remaining funds came from unanticipated agency receipts and net appropriations as authorized in S.L. 2012-2 and S.L. 2012-57.
- W Includes a supplemental appropriation of \$308.1 million from overcollections and Unreserved Fund Balance as authorized in S.L. 2013-56. While the General Assembly authorized an increase in Total Requirements of up to \$496 million to prevent a shortfall in the FY 2012-13 Medicaid budget, only the \$308.1 million in additional overcollections and Unreserved Fund Balance required an adjustment to Total Authorizations; the remaining funds came from unanticipated agency receipts and net appropriations as authorized in S.L. 2012-56 and S.L. 2013-56.
- X Total Authorizations updated to include actual local government Hold Harmless Distributions of \$8,999,420; final distributions had not been made at the time of the release of the 2013 Annotated Conference Committee Report.
- Y Pursuant to G.S. 105-521, authorization for Local Government Hold Harmless payments expired September 2013.

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

Fiscal Year	Total Current Operations			Education						Health & Human Services		All Other		
		Amount	Percent	Public Schools		Community Colleges		University		as Percent of Total	Amount	as Percent of Total	Amount	as Percent of Total
				Amount	Percent	Amount	Percent	Amount	Percent					
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	21.5% C	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	1.3%		0.1%		1.3%		1.0%			2.6%		2.8%	
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	1.2%		0.6%		0.9%		0.1%		2.4%		2.0%		
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	1.1%		0.8%		1.3%		0.2%		0.8%		2.3%		
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	4.1%		2.1%		3.0%		1.9%		2.3%		12.4%		
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	4.6%		1.8%		7.1%		8.6%		3.8%		8.7%		
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	3.5%		1.0%		7.1%		4.7%		6.8%		2.7%		
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%		1.8%		1.5%		1.4%		2.1%		
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%		0.4%		0.3%		0.7%		1.8%		
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%		0.3%		0.3%		0.8%		3.4%		
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%		0.5%		0.4%		1.2%		3.2%		
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%	4,616,398,055	22.9%	3,857,511,428	19.1%
	Reversion	283,199,414		78,638,107	27.8%	9,653,372	3.4%	39,147,047	13.8%	45.0%	40,075,808	14.2%	115,685,080	40.8%
	% Unexpended	1.4%		1.0%		1.0%		1.4%		0.9%		2.9%		

North Carolina General Fund Operating Appropriations
(Excludes Local Government Shared Revenues/Reimbursements)

Fiscal Year	Total Current Operations		Education						Health & Human Services		All Other		
	Amount	Percent	Public Schools Amount	Public Schools Percent	Community Colleges Amount	Community Colleges Percent	University Amount	University Percent	as Percent of Total	Amount	as Percent of Total	Amount	as Percent of Total
2008-09	Authorization	21,226,885,372	8,365,862,894	39.4%	1,016,658,560	4.8%	2,895,327,623	13.6%	57.8%	4,956,587,127	23.4%	3,992,449,168	18.8%
	Expenditure	19,629,407,644	8,141,898,009	41.5%	924,402,451	4.7%	2,576,878,422	13.1%	59.3%	4,298,803,147	21.9%	3,687,425,615	18.8%
	Reversion	1,597,477,728 J	223,964,885	14.0%	92,256,109	5.8%	318,449,201	19.9%	39.7%	657,783,980	41.2%	305,023,553	19.1%
	% Unexpended	7.5%	2.7%	9.1%	11.0%	13.3%	7.6%						
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%	6.6%	5.0%	0.6%	5.7%						
2010-11	Authorization	18,947,820,772	7,283,106,776	38.4%	1,050,945,454	5.5%	2,682,309,295	14.2%	58.1%	4,054,984,600	21.4%	3,876,474,647	20.5%
	Expenditure	18,491,746,632	7,261,758,864	39.3%	1,013,809,381	5.5%	2,590,810,462	14.0%	58.8%	4,043,042,916	21.9%	3,582,325,008	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%	3.5%	3.4%	0.3%	7.6%						
2011-12	Authorization	19,698,616,193 M	7,617,376,287	38.7%	1,006,454,200	5.1%	2,556,910,757	13.0%	56.8%	4,575,882,407	23.2%	3,941,992,542	20.0%
	Expenditure	19,571,795,418	7,579,687,341	38.7%	1,002,081,608	5.1%	2,550,935,536	13.0%	56.9%	4,575,821,800	23.4%	3,863,269,133	19.7%
	Reversion	126,820,775	37,688,946	29.7%	4,372,592	3.4%	5,975,221	4.7%	37.9%	60,607	0.0%	78,723,409	62.1%
	% Unexpended	0.6%	0.5%	0.4%	0.2%	0.0%	2.0%						
2012-13	Authorization	20,485,962,484 N	7,844,644,612	38.3%	1,040,421,605	5.1%	2,663,562,434	13.0%	56.4%	5,008,983,415	24.5%	3,928,350,418	19.2%
	Expenditure	20,195,219,898	7,740,033,167	38.3%	1,036,253,406	5.1%	2,651,847,350	13.1%	56.6%	5,005,715,991	24.8%	3,761,369,984	18.6%
	Reversion	290,742,586	104,611,445	36.0%	4,168,199	1.4%	11,715,084	4.0%	41.4%	3,267,424	1.1%	166,980,434	57.4%
	% Unexpended	1.4%	1.3%	0.4%	0.4%	0.1%	4.3%						
2013-14	Authorization	20,602,828,645	7,920,136,315	38.4%	1,028,960,649	5.0%	2,604,213,664	12.6%	56.1%	4,997,660,184	24.3%	4,051,857,833	19.7%
	Expenditure	20,206,236,943	7,767,677,973	38.4%	1,015,960,648	5.0%	2,572,757,241	12.7%	56.2%	4,893,648,871	24.2%	3,956,192,210	19.6%
	Reversion	396,591,702 O	152,458,342	38.4%	13,000,001	3.3%	31,456,423	7.9%	49.7%	104,011,313	26.2%	95,665,623	24.1%
	% Unexpended	1.9%	1.9%	1.3%	1.2%	2.1%	2.4%						
2014-15	Authorization	21,068,550,145	8,171,076,809	38.8%	1,050,054,665	4.98%	2,649,078,486	12.57%	56.34%	5,153,880,706	24.46%	4,044,459,479	19.20%
	Expenditure	20,652,893,007	8,047,204,932	39.0%	1,042,254,665	5.05%	2,617,666,491	12.67%	56.69%	5,010,775,878	24.26%	3,934,991,041	19.05%
	Reversion	415,657,138	123,871,877	29.8%	7,800,000	1.88%	31,411,995	7.56%	39.24%	143,104,828	34.43%	109,468,438	26.34%
	% Unexpended	2.0%	1.5%	0.7%	1.2%	2.8%	2.7%						
2015-16	Authorization	21,717,958,405	8,516,954,437	39.2%	1,068,877,252	4.92%	2,745,360,801	12.64%	56.78%	5,126,486,911	23.60%	4,260,279,004	19.62%
	Expenditure	21,188,365,990	8,343,571,235	39.4%	1,064,979,479	5.03%	2,733,406,486	12.90%	57.30%	4,837,156,439	22.83%	4,209,252,351	19.87%
	Reversion	529,592,415	173,383,202	32.7%	3,897,773	0.74%	11,954,315	2.26%	35.73%	289,330,472	54.63%	51,026,653	9.64%
	% Unexpended	2.4%	2.0%	0.4%	0.4%	5.6%	1.2%						

Notes

- A Amounts Adjusted; see Total General Fund Authorizations as Adjusted Table to determine Total Current Operations.
- B Adjusted to include Year 2000 Appropriation for 1997-98 made by the 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 S.L. 1998-212, Sec. 9, 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 landfill.
- F Total includes \$240 million transferred from 11th/12th month payroll funds to Intangibles Reserve and additional \$11 million transferred 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: 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, FY 2001-02, and FY 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.
- 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, Spending Cuts for the Current Fiscal Year.
- M Total Authorizations increased pursuant to S.L. 2012-2, which authorized up to \$20 million in overcollections to address the FY 2011-12 budget shortfall in Medicaid.
- N Total Authorizations increased pursuant to S.L. 2013-156 and S.L. 2013-184, which authorized \$308.1 million in overcollections and unreserved fund balance to address the FY 2012-13 budget shortfall in Medicaid.
- O The \$396.6 million in reversions reflects mid-year budget restrictions instituted by the Governor to help cover the FY 2013-14 revenue shortfall.

Earmarking of the Year-end Fund Balance by Fiscal Year

(Includes Earmarkings, Transfers, and Appropriations directly from Year-end Fund Balance)

Statutory Earmarkings, Transfers, and Appropriations of Year-end Fund Balance									
Fiscal Year	Unreserved Fund Balance on June 30 Fiscal Year End*	Savings Reserve Account	Repairs & Renovations Reserve	Clean Water Management Trust Fund**	Tax Relief/ Tax Refunds	Other Earmarkings	Appropriation of Reversions	Total	Unreserved Fund Balance for Subsequent Fiscal Year on July 1
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 A	146,305,569 B	-	28,100,000 C	-	-	387,411,138	292,611,137
1995-96	726,581,754	77,342,026	130,000,000	47,100,000 D	26,200,000 E	-	39,803,567 F	320,445,593	406,136,161
1996-97	759,306,050	-	174,260,955	49,354,893	156,000,000 G	61,000,000 H	-	440,615,848	318,690,202
1997-98	784,224,890	21,568,903	145,000,000	47,397,819	-	400,000,000 I	55,027,680 J	668,994,402	115,230,488
1998-99	514,756,178	-	150,000,000	31,054,152	-	-	37,000,000 K	218,054,152	296,702,026
1999-00	3,869,243	967,311	2,901,932	-	L	-	-	3,869,243	-
2000-01	6,350,587	-	-	-	L	6,350,587 M	-	6,350,587	-
2001-02	3,785,997 N	-	-	-	-	-	-	-	25,000,000 N
2002-03	415,543,840 O	150,000,000	15,000,000	-	-	-	-	165,000,000	250,543,840 O
2003-04	482,842,037 P	116,666,064	76,797,361	-	-	-	-	193,463,425	289,378,612 P
2004-05	802,633,946 Q	199,125,000	125,000,000	-	-	-	-	324,125,000	478,508,946 Q
2005-06	1,287,766,872 R	316,151,631 S	222,229,189	-	-	-	-	538,380,820	749,386,052 R
2006-07	1,541,181,489 T	175,000,000 U	145,000,000	-	-	-	-	320,000,000	1,221,181,489 T
2007-08	668,876,937 V	- W	69,839,238	-	-	-	-	69,839,238	599,037,699 V
2008-09	92,237,091 X	-	-	-	-	-	-	-	92,237,091
2009-10	236,902,394	-	-	-	-	-	-	-	236,902,394 Y
2010-11	1,015,599,914 Z	183,650,000	124,500,000	-	-	125,000,000 AA	-	433,150,000	582,449,914
2011-12	694,038,532	123,170,924	23,170,924	-	-	154,000,000 BB	-	300,341,848	393,696,684
2012-13	1,041,616,538	232,537,942	150,000,000	-	-	308,100,000 CC	-	690,637,942	350,978,596 DD
2013-14	269,402,957	-	-	-	-	-	-	-	269,402,957 EE
2014-15	864,511,091	200,000,000 FF	400,000,000 FF	-	-	-	-	600,000,000	264,511,091
2015-16	1,135,111,433	473,616,801	81,400,000	-	-	-	-	555,016,801	580,094,632 GG

* June 30th unreserved fund balance according to the Office of State Budget and Management and the Office of the State Controller.

** Effective July 1, 2001, the General Assembly repealed the required earmarking of the year-end fund balance for the Clean Water Management Trust Fund and established an annual appropriation for the Fund.

Earmarking of the Year-end Fund Balance by Fiscal Year

(Includes Earmarkings, Transfers, and Appropriations directly from Year-end Fund Balance)

Notes

- A Includes direct transfer to the Savings Reserve Account of \$66.7 million (S.L. 1993-769, Sec. 3).
- B Only \$125 million was appropriated by the General Assembly for Repairs and Renovations; the balance of \$21,305,569 was appropriated by the 1996 Session of the General Assembly for Special Projects.
- C Funds directed to the Reserve for Tax Relief (S.L. 1993-769, Sec. 8.2).
- D \$9.2 million was transferred to the Wetlands Restoration Fund (S.L. 1996-18es2, Sec. 27.6(d)).
- E Reserve for Federal Retirees Refund (\$25 million) and Federal Retiree Administration (\$1.2 million).
- F \$39,519,567 in FY 1995-96 unexpended appropriations was transferred to a reserve for capital expenditures. \$284,000 originally appropriated to the Department of Cultural Resources for grants to public libraries in FY 1995-96 was not reverted and was authorized to be used for the same purpose. (Second Extra Session 1996-18-es2, Sec. 7.11 and 11.6)
- G Funds directed to the Reserve for Intangible Tax Refunds (S.L. 1997-443, Sec. 6).
- H Treasurer was authorized to invest \$61 million for the purchase of the North Carolina Railroad (S.L. 1997-443, Sec. 6).
- I Funds reserved for Bailey/Emory/Patton Reserve (S.L. 1998-212, Sec. 6).
- J Appropriation of FY 1997-98 reversions for FY 1997-98 in accordance with S.L. 1998-212, Sec. 9.
- K \$30 million appropriation for Aquariums capital improvements (S.L. 1998-212, Sec. 29.17); \$7 million appropriated for Warren County PCB landfill (S.L. 1999-456, Sec. 54).
- L Year-end fund balance insufficient for earmarking; General Assembly appropriated \$30 million directly to the Clean Water Management Trust Fund.
- M Transferred to the Reserve for Disaster Relief.
- N The beginning unreserved fund balance recognized by the General Assembly and included in General Fund availability for FY 2002-03 was \$25 million, as specified in S.L. 2002-126, Sec. 2.2.(a).
- O The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$409.2 million and \$244.2 million, respectively (S.L. 2003-284, Sec. 2.2(a)).
- P The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$466.7 million and \$271.2 million, respectively (S.L. 2004-124, Sec. 2.2(a)).
- Q The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$796.5 million and \$472.4 million, respectively (S.L. 2005-276, Sec. 2.2(a)).
- R The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$1.295 billion and \$749.4 million, respectively (S.L. 2006-66, Sec. 2.2(a)).
- S Pursuant to G.S. 143-15.3, Savings Reserve earmarking was adjusted to reflect final unreserved fund balance; earmarking recognized by General Assembly in S.L. 2006-66 was \$323,871,747.
- T The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$1.493 billion and \$1.173 billion, respectively (S.L. 2007-323, Sec. 2.2(a)).
- U Pursuant to S.L. 2007-323, Sec. 2.2.(c1), Savings Reserve earmarking recognized by the General Assembly was \$175 million.
- V The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$576.1 million and \$506.2 million, respectively (S.L. 2008-107, Sec. 2.2(a)).
- W Pursuant to S.L. 2008-107, Sec. 2.2.(c1), Savings Reserve earmarking recognized by the General Assembly was \$0.
- X The unreserved fund balance recognized by the General Assembly was \$91,967,011 (S.L. 2009-451, Sec. 2.2.(a)).
- Y The unreserved fund balance recognized by the General Assembly was \$3,972,262 (S.L. 2010-31, Sec. 2.2.(a)). 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.
- Z The unreserved beginning fund balance prior to earmarking recognized by the General Assembly was \$955,443,193 (S.L. 2011-145, Sec. 2.2.(a)). The Fiscal Research Division published a revised Availability Statement that reflected actual beginning fund balance of \$1,015,599,914 prior to earmarking.
- AA S.L. 2011-145, Sec. 2.2.(j) authorized up to \$125 million for the repayment of Medicaid federal funds.
- BB S.L. 2012-2 authorized the use of funds, including net appropriations up to \$154 million, to help close the FY 2011-12 shortfall in Medicaid.
- CC S.L. 2013-56 as amended by S.L. 2013-184, Sec. 13, authorized the use of \$308.1 million from unreserved fund balance and revenue overcollections to help close the FY 2012-13 shortfall in Medicaid.
- DD The unreserved beginning fund balance prior to earmarking recognized by the General Assembly was \$968,432,877 (S.L. 2013-360, Sec. 2.2.(a)). The Fiscal Research Division published a revised Availability Statement that reflected actual beginning fund balance of \$1,041,616,538 prior to earmarking.
- EE The unreserved beginning fund balance recognized by the General Assembly was \$267,369,627 (S.L. 2014-100, Sec. 2.2.(a)).
- FF S.L. 2015-241, Sec. 2.2(d) directed the transfer of an additional \$250 million to the Savings Reserve Account from funds originally earmarked for the Repairs and Renovations Reserve contingent upon ratification of H.B. 943, Connect NC Bond Act of 2015 (the bill was ratified on September 30, 2015).
- GG The unreserved fund balance recognized by the General Assembly prior to and after earmarkings was \$927 million and \$371.5 million respectively (S.L. 2016-94, Sec. 2.2(a)).

Savings Reserve at Fiscal Year Ending June 30th

Fiscal Year	Prior Fiscal Year Current Operations Appropriation*	Statutory Goal:		Unreserved Fund Balance at Fiscal Year End June 30th	Current Year Earmarking / Appropriation to Savings Reserve	Withdrawals and Adjustments	Savings Reserve Account Balance
		8% of Prior Fiscal Year Operations Appropriation**					
1990-91					141,000,000 A	0	0
1991-92	7,726,343,007	386,317,150	164,773,001		41,593,253	0	41,593,253
1992-93	7,825,507,308	391,275,365	537,330,259		134,332,565	0	175,925,818
1993-94	8,114,332,336	405,716,617	622,712,983		155,678,246	(121,000,000) B	210,604,064
1994-95	9,125,084,906	456,254,245	586,422,276 B		213,005,569		423,609,633
1995-96	10,019,033,177 C	500,951,659	726,581,754		77,342,029	0	500,951,662
1996-97	9,793,062,378	489,653,119	759,306,050		0	0	500,951,662
1997-98	10,450,411,229 D	522,520,561	784,224,890		21,568,899	0	522,520,561
1998-99	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
2000-01	13,441,610,285	672,080,514	6,350,587		120,000,000 J	0	157,522,048
2001-02	13,878,542,760	693,927,138	3,785,997 M, N		90,000,000 K	(247,522,048) L	0
2002-03	14,705,809,843	735,290,492	415,543,840 O		150,000,000	0	150,000,000
2003-04	14,320,664,876	716,033,244	482,842,037 P		116,666,064	391,343 Q	267,057,407
2004-05	14,871,621,783	743,581,089	802,633,946 R		199,125,000	(153,541,447) S	312,640,960
2005-06	15,897,680,933	794,884,047	1,287,766,872 T		316,151,631 T	0	628,792,591
2006-07	17,161,861,310	858,093,066	1,541,181,489 U		175,000,000	(17,142,913) V	786,649,678
2007-08	18,673,708,783	933,685,439	668,876,937		0	0	786,649,678
2008-09	20,441,301,149	1,635,304,092	92,237,091		0	(636,649,678) W	150,000,000
2009-10	21,239,049,461	1,699,123,957	236,902,394		0	0	150,000,000
2010-11	19,034,299,596	1,522,743,968	890,599,914		183,650,000	(38,008,589) X	295,641,411
2011-12	18,974,565,403	1,517,965,232	540,038,532		123,170,924	0	418,812,335
2012-13	19,720,747,946	1,577,659,836	733,516,538		232,537,942	0	651,350,277
2013-14	20,503,427,507	1,640,274,201	269,402,957		0	245,194 Y	651,595,471
2014-15	20,611,495,065 Z	1,648,919,605	864,511,091		450,000,000 AA	0	1,101,595,471
2015-16	21,068,550,145	1,685,484,012	926,504,017		473,616,801		1,575,212,272
2016-17	21,717,958,405	1,737,436,672					

* Includes Local Government Shared Revenues/Reimbursements

** 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 statutory cap of 5% of prior year operations appropriations. Effective July 1, 2007, G.S. 143C-4-2 of the State Budget Act 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 Savings Reserve 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.

Savings Reserve at Fiscal Year Ending June 30th

Notes

- A The General Assembly appropriated \$141 million; this reserve was used to offset a shortfall in revenue for FY 1990-91.
- B The General Assembly authorized the transfer of \$121 million to be used for the purpose of restoring the June 30 paydate.
- C Includes direct appropriation to Savings Reserve Account (\$66.7 million) and Local Government Shared Revenue (\$236.8 million).
- D Adjusted to reflect emergency appropriation of \$4.7 million made to the Dept. of Community Colleges for 1996-97 by the 1997 Session (S.L. 1997-38).
- E Adjusted to reflect emergency appropriation for Year 2000 Conversion for 1997-98 (\$20,506,367) as approved by the 1998 Session (S.L. 1998-9).
- 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, Tax Revenue for 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 Fund balance 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 fund balance.
- O This amount is per OSBM and the Office of the State Controller (OSC). The unreserved fund balance recognized by the General Assembly prior to earmarkings was \$409.2 million.
- P Fund balance per OSBM. The unreserved fund 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 Fund balance per OSBM and OSC. The unreserved fund balance recognized by the General Assembly prior to earmarkings was \$796.5 million.
- S S.L. 2005-1, Hurricane Recovery Act of 2005, appropriated \$123.5 million from the Savings Reserve Account for hurricane recovery efforts. An additional \$30 million for mitigation efforts was expended as recommended by the Governor.
- T June 30th fund balance and final Savings Reserve earmarking per OSBM and OSC. Estimated unreserved fund balance and Savings Reserve earmarking recognized by the General Assembly (S.L. 2006-66, Modify Appropriations Act of 2005) was \$1.295 billion and \$323.9 million respectively.
- U June 30th fund balance and final Savings Reserve earmarking per OSBM and OSC. Estimated unreserved fund balance and Savings Reserve earmarking recognized by the General Assembly was \$1.493 billion and \$175 million respectively. (S.L. 2007-323)
- V Section 2.2.(g) of S. L. 2006-66, Modify Appropriations Act of 2005, directed the State Treasurer to transfer funds from the Savings Reserve to hold the Highway Fund and the Highway Trust Fund harmless from the cap on the Motor Fuels Tax.
- W S.L. 2009-16, State Hlth Plan \$/Good Health Initiatives, appropriated \$250 million from the Savings Reserve Account to the State Health Plan to cover a projected shortfall in the Plan for FY 2008-09. Additionally, S.L. 2009-215, Continuing Budget Authority, 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.
- X Section 1.3 of S.L. 2010-123, Budget Technical Corrections, authorized the Director of the Budget to use \$38,008,589 from the Savings Reserve Account to offset the loss of Enhanced FMAP Funds from the federal government.
- Y Section 5(2)b, S.L. 2013-186 directed the deposit of \$245,194 in receipts collected from the sale of the NC Indian Cultural Center be deposited into the Savings Reserve Account.
- Z Pursuant to G.S. 105-521, authorization for Local Government Hold Harmless payments expired September 2013.
- AA After the close of FY 2014-15, Section 2.2(d), S.L. 2015-241, 2015 Appropriations Act, directed the transfer of an additional \$250 million (originally earmarked for the Repairs and Renovations Reserve) into the Savings Reserve Account.

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	44,764,320	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	21,829,242	20,460,219	3,279,024,843	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	9,470,172,884	835,544,512	10,305,717,396	4,677,947,375	651,938,670	104,256,014	228,458,572	466,601,945	227,056,891	0	118,003,597	16,779,980,460
2009-10	9,047,605,408	1,197,865,423	10,245,470,831	5,565,043,256	724,451,377	71,905,766	282,316,942	486,848,659	251,730,956	0	118,272,416	17,744,727,983
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	109,401,632	18,381,339,329
2011-12	10,272,136,381	1,132,871,163	11,405,007,544	5,257,585,405	612,527,734	58,102,537	287,363,097	460,440,592	270,900,735	0	112,497,655	18,464,425,299
2012-13	10,953,140,820	1,191,730,504	12,144,871,324	5,294,146,987	660,141,125	111,430,080	298,639,841	521,509,350	255,400,938	0	115,744,723	19,401,884,368
2013-14	10,272,358,827	1,356,856,206	11,629,215,033	5,566,518,176	697,012,493	19,275,567	305,994,895	440,922,113	255,532,320	0	172,035,791	19,086,506,388
2014-15	11,078,522,431	1,327,688,128	12,406,210,559	6,252,023,175	544,122,153	2,989,334	318,729,834	510,676,294	248,534,095	0	149,121,275	20,432,406,719